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## THIS OFFER DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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If you are in any doubt as to any aspect of the Share Offer or as to the action to be taken, you should consult a licensed securities dealer or registered institution in securities, a bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or otherwise transferred all your securities in ZMFY Automobile Glass Services Limited (“ZMFY”), you should at once hand this Offer Document and the accompanying Form(s) of Acceptance to the purchaser(s) or transferee(s), licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

This Offer Document should be read in conjunction with the accompanying Form(s) of Acceptance, the contents of which form part of the terms and conditions of the Offers.

Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited and Hong Kong Securities Clearing Company Limited take no responsibility for the contents of this Offer Document and the accompanying Form(s) of Acceptance, make no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Offer Document and the accompanying Form(s) of Acceptance.

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**Xinyi Automobile Glass (BVI) Company Limited**  
*(Incorporated in the British Virgin Islands  
with limited liability)*

**Xinyi Glass Holdings Limited**  
*(Incorporated in the Cayman Islands with  
limited liability)*  
(Stock code: 00868)

**(1) VOLUNTARY CONDITIONAL CASH OFFER  
BY OPTIMA CAPITAL LIMITED  
ON BEHALF OF  
XINYI AUTOMOBILE GLASS (BVI) COMPANY LIMITED  
TO ACQUIRE ALL THE ISSUED SHARES OF  
ZMFY AUTOMOBILE GLASS SERVICES LIMITED  
(OTHER THAN THOSE ALREADY OWNED OR AGREED  
TO BE ACQUIRED BY  
XINYI AUTOMOBILE GLASS (BVI) COMPANY LIMITED  
AND PARTIES ACTING IN CONCERT WITH IT);  
AND  
(2) VOLUNTARY CONDITIONAL CASH OFFER  
BY OPTIMA CAPITAL LIMITED  
ON BEHALF OF  
XINYI AUTOMOBILE GLASS (BVI) COMPANY LIMITED  
FOR THE OUTSTANDING CONVERTIBLE BOND OF  
ZMFY AUTOMOBILE GLASS SERVICES LIMITED**

*Financial adviser to the Offeror*



**Optima Capital Limited**

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Capitalised terms used in this cover page shall have the same meanings as those defined in the section headed “Definitions” in this Offer Document.

A letter from Optima Capital containing, among other things, details of the terms of and the conditions to the Offers are set out on pages 5 to 14 of this Offer Document.

The procedures for acceptance of the Offers and other related information are set out in Appendix I to this Offer Document and in the accompanying Form(s) of Acceptance. Acceptances of the Share Offer should be received by the Registrar, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong and the acceptance of the CB Offer should be received by the CB Receiving Agent at 3/F, Harbour View 2, 16 Science Park East Avenue, Phase 2 Hong Kong Science Park, Tai Po, New Territories, Hong Kong by no later than 4:00 p.m. on Monday, 29 December 2014 or such other time as the Offeror may determine and announce in accordance with the Takeovers Code.

27 November 2014

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## EXPECTED TIMETABLE

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*The timetable set out below is indicative only and any changes to the timetable will be announced by the Offeror.*

### **2014**

Despatch date of this Offer Document and commencement of the Offers ( <i>Note 1</i> ) . . . . .	27 November
Latest date for the posting of the Offeree Document ( <i>Note 2</i> ) . . . . .	11 December
First Closing Date of the Offers ( <i>Note 3</i> ) . . . . .	29 December
Latest time and date for acceptance of the Offers . . . . .	no later than 4:00 p.m. on 29 December
Announcement of the results of the Offers and the level of acceptance as at the First Closing Date, on the website of the Stock Exchange and on the respective website of ZMFY and Xinyi Glass . . . . .	not later than 7:00 p.m. on 29 December

### **2015**

Latest date for posting of remittances for the amounts due in respect of valid acceptances of the Offers lodged on or before 4:00 p.m. on the First Closing Date(if the Offers become or are declared unconditional on the First Closing Date) ( <i>Note 4</i> ) . . . . .	8 January
Latest time and date by which the Offers can be declared unconditional as to acceptance ( <i>Note 5</i> ) . . . . .	26 January

*Notes:*

1. The Offers are made on 27 November 2014, being the date of posting of this Offer Document, and is capable of acceptance on and from that date. The Offers are conditional on the conditions set out in the paragraph headed “Conditions of the Offers” in this Offer Document. Acceptances of the Offers shall be irrevocable and not capable of being withdrawn, except in the circumstances set out in Rule 19.2 of the Takeovers Code.
2. In accordance with the Takeovers Code, ZMFY is required to post the Offeree Document to the ZMFY Shareholders within 14 days from the posting of the Offer Document, unless the Executive consents to a later date and the Offeror agrees to extend the closing date by the number of days in respect of which the delay in the posting of the Offeree Document is agreed.
3. In accordance with the Takeovers Code, where the Offeree Document is posted after the date on which the Offer Document is posted, the Offers must remain open for acceptance for at least 28 days following the date on which the Offer Document is posted. The Offeror reserves its right to revise or extend the Offers until such date as it may determine in accordance with the Takeovers Code (or as permitted by the Executive in accordance with the Takeovers Code). The

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## EXPECTED TIMETABLE

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Offeror will issue an announcement in relation to any revision or extension of the Offers, which will state the next closing date or, if the Offers have become or are at that time unconditional as to acceptance, that the Offers will remain open until further notice. In any event, where the Offers become or are declared unconditional, the Offers will remain open for acceptance for not less than 14 days thereafter in accordance with the Takeovers Code.

4. Subject to the Offers becoming unconditional, remittance in respect of the consideration payable for the Offer Shares tendered under the Share Offer and the Convertible Bond tendered under the CB Offer will be posted by ordinary post to the ZMFY Shareholders accepting the Share Offer and the ZMFY CB Holder(s) accepting the CB Offer respectively at their own risk as soon as possible, but in any event within 7 Business Days following the later of the date on which the Offers become, or are declared, unconditional and the date of receipt by the Registrar or the CB Receiving Agent (as the case may be) of all the relevant documents to render the acceptances under the Offers complete and valid in accordance with the Takeovers Code.
5. Pursuant to the Takeovers Code, unless with the consent of the Executive, the Offers may not become or be declared unconditional as to acceptance after 7:00 p.m. on the 60th day after the date of the posting of the initial Offer Document.

All times and dates refer to Hong Kong local times and dates.

### **Effect of bad weather on the latest time for acceptance for the Share Offer**

If there is (i) a tropical cyclone warning signal number 8 or above; or (ii) a “black” rainstorm warning signal: (a) in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on the First Closing Date, the latest time and date for acceptance of the Offers will be extended to 4:00 p.m. on the same Business Day; or (b) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on the First Closing Date, the latest time and date for acceptance will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force at any time between 9:00 a.m. and 4:00 p.m. or such other day as the Executive may approve.

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## DEFINITIONS

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*In this Offer Document, unless the context otherwise requires, the following expressions shall have the following meanings when used herein:*

“acting in concert”	has the meaning ascribed to it in the Takeovers Code
“Announcement”	the announcement dated 6 November 2014 jointly issued by the Offeror and Xinyi Glass in relation to, among other things, the Offers
“Articles”	the articles of association of ZMFY as amended from time to time
“associate(s)”	has the meaning ascribed thereto in the Takeovers Code
“Blue Form of Acceptance”	the form of acceptance and transfer of the Convertible Bond in blue in respect of the CB Offer which accompanies this Offer Document
“Business Day”	a day on which the Stock Exchange is open for the transaction of business
“BVI”	British Virgin Islands
“CB Offer”	an appropriate offer made to the holder(s) of the outstanding Convertible Bond pursuant to Rule 13 of the Takeovers Code on the terms and conditions set out in this Offer Document for the Convertible Bond
“CB Receiving Agent”	Xinyi Group (Glass) Company Limited
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Closing Date”	the First Closing Date, or if the Share Offer is extended, any subsequent closing date of the Share Offer in accordance with the Takeovers Code
“Convertible Bond”	the convertible bond in the principal amount of HK\$60,816,000 that has been issued by ZMFY to Aleta Global Limited, the holder of such convertible bond nominated by the Vendor as disclosed in the ZMFY Response Announcement
“Executive”	The Executive Director of the Corporate Finance Division of the SFC or any delegates of such Executive Director
“First Closing Date”	29 December 2014, being the first closing date of the Offers (or such later date as may be determined and announced by the Offeror in accordance with the Takeovers Code)

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## DEFINITIONS

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“Form(s) of Acceptance	the White Form of Acceptance in respect of the Share Offer and/or the Blue Form of Acceptance in respect of the CB Offer which accompany(ies) this Offer Document
“GEM”	Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the GEM
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent ZMFY Shareholders”	ZMFY Shareholders other than the Offeror, its ultimate beneficial owner and parties acting in concert with any of them
“Last Trading Day”	3 November 2014, being the last full trading day for the ZMFY Shares before publication of the Announcement and commencement of the Offer Period
“Latest Practicable Date”	26 November 2014, being the latest practicable date prior to the printing of this Offer Document for the purpose of ascertaining certain information for inclusion herein
“Lu Yu”	Lu Yu Global Limited, a company incorporated in the BVI with limited liability which is wholly-owned by Ms. Natsu
“Offer Document”	this document dated 27 November 2014 issued by the Offeror to the Independent ZMFY Shareholders and the ZMFY CB Holder(s), in connection with the Offers, together with the Form(s) of Acceptance
“Offer Period”	the offer period in respect of the Offers which has the meaning ascribed to it in the Takeovers Code, commencing from the date on which the Announcement was made and ending on the Closing Date
“Offer Shares”	all the Shares other than those already owned or agreed to be acquired by the Offeror and parties acting in concert with it
“Offeree Document”	the response document in respect of the Share Offer to be issued by ZMFY to the Independent ZMFY Shareholders in accordance with the Takeovers Code

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## DEFINITIONS

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“Offeror”	Xinyi Automobile Glass (BVI) Company Limited, a company incorporated in the BVI with limited liability and a wholly-owned subsidiary of Xinyi Glass
“Offers”	the Share Offer and the CB Offer
“Optima Capital”	Optima Capital Limited, a corporation licensed under the SFO to carry out Type 1 (dealing in securities), Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activities under the SFO and the financial adviser to the Offeror
“PRC”	the People’s Republic of China, for the purpose of this Offer Document, excluding Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“Property”	a 4-storey commercial complex located in Sa’ertu District, Daqing City, Heilongjiang Province, PRC with a total gross floor area of approximately 4,445 square meters together with the land use rights relating thereto, which is the subject under the ZMFY Property Acquisition
“Registrar”	Tricor Investor Service Limited at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong
“Relevant Period”	the period from 6 May 2014 (being the date falling six months prior to 6 November 2014, the date of the Announcement) and up to the Latest Practicable Date
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.01 each in the capital of ZMFY
“Share Offer”	the voluntary conditional cash offer made by Optima Capital on behalf of the Offeror for the Offer Shares on the terms and conditions set out in this Offer Document and in compliance with the Takeovers Code
“Share Offer Price”	HK\$0.65 for each Offer Share payable by the Offeror to the ZMFY Shareholders accepting the Share Offer
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Code on Takeovers and Mergers

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## DEFINITIONS

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“Vendor”	Daiqing Beihang Property Development Company Limited* (大慶北航房地產開發有限公司), a company established in the PRC with limited liability
“White Form of Acceptance”	the form of acceptance and transfer of the Offer Shares in white in respect of the Share Offer which accompanies this Offer Document
“Xinyi Glass”	Xinyi Glass Holdings Limited (信義玻璃控股有限公司), a company incorporated in the Cayman Islands with limited liability, whose shares are listed on the Stock Exchange (stock code: 00868)
“Xinyi Glass Group”	Xinyi Glass and its subsidiaries
“ZMFY”	ZMFY Automobile Glass Services Limited, an exempted company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the GEM (stock code: 08135)
“ZMFY Board”	the board of ZMFY Directors
“ZMFY CB Holder(s)”	holder(s) of the Convertible Bond
“ZMFY Director(s)”	director(s) of ZMFY from time to time
“ZMFY Group”	ZMFY and its subsidiaries
“ZMFY Property Acquisition”	the acquisition of the Property by ZMFY pursuant to the terms and conditions of the ZMFY Property Acquisition Agreement
“ZMFY Property Acquisition Agreement”	the sale and purchase agreement dated 19 October 2014 entered into between ZMFY and the Vendor relating to the ZMFY Property Acquisition, information of which is set out in the ZMFY Property Announcement
“ZMFY Property Announcement”	the announcement issued by ZMFY on 20 October 2014 relating to the ZMFY Property Acquisition
“ZMFY Response Announcement”	the announcement issued by ZMFY on 17 November 2014 relating to the Offers and the ZMFY Property Acquisition
“ZMFY Shareholder(s)”	holder(s) of the Shares
“%”	per cent

*For ease of reference and unless otherwise specified in this Offer Document, sums in HK\$ and RMB in this Offer Document are translated at the rate RMB1.0 = HK\$1.25. This does not mean that HK\$ could be converted into RMB, or vice versa, based on such exchange rate.*

\* For identification purpose only



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**LETTER FROM OPTIMA CAPITAL**

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**Xinyi Automobile Glass (BVI) Company Limited**

*(Incorporated in British Virgin Islands with limited liability)*

To the Independent ZMFY Shareholders and the ZMFY CB Holder(s)

27 November 2014

Dear Sir or Madam,

**(1) VOLUNTARY CONDITIONAL CASH OFFER  
BY OPTIMA CAPITAL LIMITED  
ON BEHALF OF  
XINYI AUTOMOBILE GLASS (BVI) COMPANY LIMITED  
TO ACQUIRE ALL THE ISSUED SHARES OF  
ZMFY AUTOMOBILE GLASS SERVICES LIMITED  
(OTHER THAN THOSE ALREADY OWNED OR AGREED  
TO BE ACQUIRED BY  
XINYI AUTOMOBILE GLASS (BVI) COMPANY LIMITED  
AND PARTIES ACTING IN CONCERT WITH IT);  
AND  
(2) VOLUNTARY CONDITIONAL CASH OFFER  
BY OPTIMA CAPITAL LIMITED  
ON BEHALF OF  
XINYI AUTOMOBILE GLASS (BVI) COMPANY LIMITED  
FOR THE OUTSTANDING CONVERTIBLE BOND OF  
ZMFY AUTOMOBILE GLASS SERVICES LIMITED**

**INTRODUCTION**

The Offeror announced in the Announcement dated 6 November 2014 that, among other things, Optima Capital, as the Offeror's financial adviser, would make the voluntary conditional cash offer on behalf of the Offeror for all the Shares not already owned or agreed to be acquired by the Offeror and parties acting in concert with it (i.e. the Share Offer) and, if required, the voluntary conditional cash offer for the Convertible Bond in compliance with the Takeovers Code (i.e. the CB Offer).

This letter sets out, among other things, the details of the Offers, and information and intention of the Offeror regarding the ZMFY Group. Further details of the terms of the Offers are set out in Appendix I to this Offer Document (of which this letter forms part).

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## LETTER FROM OPTIMA CAPITAL

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### BACKGROUND

As at the Latest Practicable Date, the Offeror and parties acting in concert with it were interested in 140,000,000 Shares, which, based on the latest published information of ZMFY available to the public as at the Latest Practicable Date, represents approximately 26.42% of the issued share capital of ZMFY. The Offeror notified ZMFY on 3 November 2014 after trading hours that it intends to make the Share Offer (in compliance with the Takeovers Code) through Optima Capital to acquire all the Shares not already owned or agreed to be acquired by it and parties acting in concert with it. The Share Offer Price is HK\$0.65 for each Offer Share.

On 20 October 2014, ZMFY made the ZMFY Property Announcement that it had entered into a sale and purchase agreement on 19 October 2014 in respect of the ZMFY Property Acquisition at the consideration of RMB48,000,000, which would be satisfied by the issue of the Convertible Bond in the principal amount of HK\$60,816,000. The Convertible Bond, upon issuance, will be convertible into Shares at the conversion price of HK\$1.112 per Share, subject to adjustment, during the conversion period commencing from the issue date of the Convertible Bond up to and including the date falling on the seventh day immediately prior to the maturity date (which shall fall on the day being the third anniversary of the issue date of the Convertible Bond). The initial conversion price of the Convertible Bond of HK\$1.112 per Share was at a discount of 20% to the closing price of HK\$1.39 per Share as quoted on the Stock Exchange on 17 October 2014, being the last trading day of the Shares on the Stock Exchange prior to the date of the ZMFY Property Announcement. Assuming full conversion of the Convertible Bond at the initial conversion price of HK\$1.112 per Share, a total of 54,690,647 Shares will be issued to the Vendor. Based on the disclosure in the ZMFY Response Announcement, it was indicated that all the conditions precedent to the ZMFY Property Acquisition Agreement had been satisfied and the ZMFY Property Acquisition had been completed on 14 November 2014 and the Convertible Bond had been issued to Aleta Global Limited, the holder of the Convertible Bond nominated by the Vendor. Subsequent to the issuance of the Convertible Bond, Aleta Global Limited served a conversion notice to ZMFY to exercise the conversion rights to convert part of the Convertible Bond into 50,000,000 Shares. As disclosed by ZMFY in its announcement dated 21 November 2014, the aforesaid conversion was completed on 21 November 2014 and 50,000,000 Shares were allotted and issued to Aleta Global Limited.

Based on the published information of ZMFY available to the public as at the Latest Practicable Date, ZMFY had issued and outstanding securities of 530,000,000 Shares and the Convertible Bond in the outstanding principal amount of HK\$5,216,000 (convertible into 4,690,647 Shares). Accordingly, an appropriate offer is made by Optima Capital on behalf of the Offeror for the outstanding Convertible Bond pursuant to Rule 13 of the Takeovers Code.

Set out below are the terms and conditions of the Offers made by Optima Capital on behalf of the Offeror.

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## LETTER FROM OPTIMA CAPITAL

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### THE OFFERS

#### The Share Offer

Optima Capital now makes the Share Offer on behalf of the Offeror in compliance with Rule 26 of the Takeovers Code as follows:

For every Offer Share ..... HK\$0.65 in cash

The Share Offer is extended to all Independent ZMFY Shareholders. The Offer Shares to be acquired under the Share Offer are free from all third party rights, liens, claims, charges, equities, options, adverse interests and encumbrances whatsoever together with all rights attaching to them including the right to receive all dividends and distributions which may be declared, made or paid at any time on or after the date on which the Share Offer is made.

#### The CB Offer

Pursuant to Rule 13 of the Takeovers Code and on the ground that the Convertible Bond has been issued in accordance with the terms and conditions of the ZMFY Property Acquisition Agreement, the Offeror makes the CB Offer for the Convertible Bond as part of the Offers as follows:

For each outstanding HK\$1 of face value of the Convertible Bond ..... HK\$0.5846 in cash

Based on the Share Offer Price of HK\$0.65 per Offer Share divided by the prevailing conversion price of the Convertible Bond of HK\$1.112 per Share, the offer price under the CB Offer is HK\$0.5846 for each outstanding HK\$1 of face value of the Convertible Bond.

The CB Offer is extended to the ZMFY CB Holder(s). The Convertible Bond to be acquired under the CB Offer are free from all third party rights, liens, claims, charges, equities, options, adverse interests and encumbrances whatsoever and renounced together with all rights accruing or attaching thereto on or after the date on which the CB Offer is made or subsequently becoming attached to it and that the ZMFY CB Holder(s), if accept the CB Offer, will surrender to ZMFY all of his/her/its/their existing rights, if any, in respect of the Convertible Bond.

The procedures for acceptance and further terms of the Offers are set out in Appendix I to this Offer Document.

#### Value of the Offers

On the basis of the Share Offer Price, i.e. HK\$0.65 per Share, and 530,000,000 Shares in issue as at the Latest Practicable Date, the entire issued share capital of ZMFY is valued at HK\$344.5 million.

The Share Offer is made by Optima Capital on behalf of the Offeror for all the issued Shares (other than those already owned or agreed to be acquired by the Offeror and parties acting in concert with it). As at the Latest Practicable Date, the Offeror was beneficially interested in 140,000,000

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## LETTER FROM OPTIMA CAPITAL

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Shares and no parties acting in concert with it were beneficially interested in any Shares. Based on the published information of ZMFY available as at the Latest Practicable Date, Lu Yu held 220,000,000 Shares, representing approximately 41.51% of the issued share capital of ZMFY. Lu Yu is wholly and beneficially owned by Ms. Natsu, a non-executive director and the Chairman of ZMFY.

The Offeror and parties acting in concert with it have no relationship, financial or otherwise, with Lu Yu or parties acting in concert with it, including its sole shareholder. The Offeror has invested in ZMFY as a strategic investor and does not have any agreement or understanding or arrangement whatsoever with Lu Yu and parties acting in concert with it in respect of obtaining or consolidating control in ZMFY. The Offeror does not consider that Lu Yu is a party acting in concert with it. Accordingly, the Share Offer is extended to Lu Yu for the 220,000,000 Shares held by it. As stated in the paragraph headed “Reasons for the Share Offer and Intention of the Offeror in relation to ZMFY” in this Offer Document, the Offeror is disappointed with the business performance and the proposed ZMFY Property Acquisition under the present ZMFY Board, which is led by Ms. Natsu as the Chairman and Ms. Xia as the executive director and the chief executive officer of ZMFY.

Based on 390,000,000 Shares subject to the Share Offer, the Share Offer is valued at HK\$253.5 million on the basis of the Share Offer Price.

The CB Offer is valued at approximately HK\$3.05 million.

The total value of the Offers is approximately HK\$256.55 million.

### **Financial resources**

The aggregate consideration for the Offers will be financed by a banking facility granted by HSBC to the Offeror for the sole and exclusive purpose of satisfying the full acceptances of the Offers. The payment of interest on, repayment of, or security for any liability (contingent or otherwise) for, such banking facility will not depend on any significant extent on the business of the ZMFY Group.

The maximum cash consideration payable under the Share Offer and the CB Offer are HK\$253.5 million and approximately HK\$3.05 million respectively, which amounts to approximately HK\$256.55 million in aggregate.

Optima Capital is satisfied that sufficient financial resources are available to the Offeror to satisfy the full acceptances of the Offers.

### **Comparison of value**

The Share Offer Price of HK\$0.65 for each Offer Share represents:-

- (a) a discount of approximately 46.72% to the closing price of HK\$1.22 per Share as quoted on the Stock Exchange on 3 November 2014, being the Last Trading Day;
- (b) a discount of approximately 43.48% to the closing price of HK\$1.15 per Share as quoted on the Stock Exchange on 26 November 2014, being the Latest Practicable Date;

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## LETTER FROM OPTIMA CAPITAL

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- (c) a discount of approximately 44.54% to the average closing price of HK\$1.172 per Share as quoted on the Stock Exchange for the last five trading days up to and including the Last Trading Day;
- (d) a discount of approximately 45.19% to the average closing price of HK\$1.186 per Share as quoted on the Stock Exchange for the last 10 trading days up to and including the Last Trading Day;
- (e) a discount of approximately 44.77% to the average closing price of HK\$1.177 per Share as quoted on the Stock Exchange for the last 30 trading days up to and including the Last Trading Day;
- (f) a premium of approximately 46.73% over ZMFY's audited consolidated net assets per Share of approximately HK\$0.443 based on ZMFY's audited consolidated net assets attributable to the owners of ZMFY of approximately RMB135.2 million (equivalent to approximately HK\$169.0 million) as at 31 December 2013 as adjusted by the net proceeds of approximately HK\$43.4 million (as set out in the relevant circular issued by ZMFY dated 22 April 2014) received by ZMFY from the subscription of new Shares by the Offeror on 16 May 2014 and 480,000,000 Shares in issue as at the date on which the Offer Period commenced; and
- (g) a premium of approximately 43.81% over ZMFY's unaudited consolidated net assets per Share of approximately HK\$0.452 based on ZMFY's unaudited consolidated net assets attributable to the owners of ZMFY of approximately RMB173.7 million (equivalent to approximately HK\$217.1 million) as at 30 June 2014 and 480,000,000 Shares in issue as at the date on which the Offer Period commenced.

### **Highest and lowest closing prices for each Share**

The highest and lowest closing prices for each Share as quoted on the Stock Exchange during the six-month period preceding the Last Trading Day were HK\$1.73 on 23, 24, 25 and 28 July 2014 and HK\$1.04 on 10 October 2014 respectively.

### **Determination of the Share Offer Price**

The Offeror, in determining HK\$0.65 as the reasonable and fair Share Offer Price, had considered the following factors:-

- (a) the consolidated net assets for each Share;
- (b) the low liquidity of the Shares;
- (c) the market closing prices for each Share during the six-month period preceding the Last Trading Day; and

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## LETTER FROM OPTIMA CAPITAL

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- (d) the reasons set forth in the paragraph headed “Reasons for the Share Offer and Intention of the Offeror in relation to ZMFY” in this Offer Document.

### **Conditions of the Offers**

#### *The Share Offer*

The Share Offer shall be conditional upon the following two conditions:-

- (a) valid acceptances having been received (and where permitted, not withdrawn) on or before 4:00 p.m. on the closing date of the Share Offer in respect of the Offer Shares, which together with the Shares already held by the Offeror and parties acting in concert with it, constitute more than 50% of the voting rights of ZMFY; and
- (b) the Shares remaining listed on the Stock Exchange and the current listing of the Shares not having been withdrawn or the trading of the Shares not having been suspended as at the close of the Share Offer or upon the Share Offer becoming unconditional, save for temporary suspension of trading of not more than 30 trading days continuously.

The Share Offer Price shall be payable in cash. The Offeror reserves the right to revise the terms of the Share Offer in compliance with the Takeovers Code.

#### *The CB Offer*

The CB Offer is conditional upon the Share Offer becoming unconditional in all respects and the offer price for the Convertible Bond will be payable in cash.

The Offeror reserves the right to revise the terms of the CB Offer in compliance with the Takeovers Code.

### **Overseas ZMFY Shareholders and the ZMFY CB Holder(s)**

The Offeror intends to make the Offers available to all ZMFY Shareholders and the ZMFY CB Holder(s) including those who are not resident in Hong Kong. The availability of the Offers to persons who are not resident in Hong Kong may be affected by the laws of the relevant overseas jurisdictions. Persons who are not resident in Hong Kong should inform themselves about and observe any applicable requirements and restrictions in their own jurisdictions, including the obtaining of any governmental, exchange control or other consents which may be required, or the compliance with the other necessary formalities and the payment of any issue, transfer or other fares due in such jurisdiction.

In the event that the receipt of the Offer Document by overseas ZMFY Shareholders and the ZMFY CB Holder(s) is prohibited by any applicable laws and regulations or may only be effected upon compliance with conditions or requirements in such overseas jurisdictions that would be unduly burdensome, the Offer Document, subject to the Executive’s consent, will not be despatched to such

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## LETTER FROM OPTIMA CAPITAL

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overseas ZMFY Shareholders and the ZMFY CB Holder(s). The Offeror will apply for any waiver as may be required by the Executive pursuant to Note 3 to Rule 8 of the Takeovers Code at such time. Any arrangements for overseas ZMFY Shareholders and the ZMFY CB Holder(s) to collect the Offer Document will be set forth in a further announcement.

### INFORMATION ON THE OFFEROR AND XINYI GLASS

The Offeror is an investment holding company incorporated in the BVI on 13 June 2002, which is a wholly-owned subsidiary of Xinyi Glass. Xinyi Glass is a company listed on the Stock Exchange and as at the Latest Practicable Date, it had no controlling shareholders (as defined in the Takeovers Code). The board of directors of the Offeror comprises Mr. LEE Yin Yee, M.H., Mr. LEE Sing Din, Mr. TUNG Ching Sai, Mr. TUNG Ching Bor and Mr. LI Chi Tan. The board of directors of Xinyi Glass comprises Mr. LEE Yin Yee, M.H., Mr. TUNG Ching Bor, Mr. TUNG Ching Sai and Mr. LEE Shing Kan as the executive directors, Mr. NG Ngan Ho, Mr. LI Ching Wai, Mr. SZE Nang Sze and Mr. LI Ching Leung as the non-executive directors, and Mr. LAM Kwong Siu, S.B.S., Mr. WONG Chat Chor Samuel, Mr. WONG Ying Wai, S.B.S., JP., Mr. TRAN Chuen Wah, John and Mr. TAM Wai Hung, David as the independent non-executive directors.

Xinyi Glass Group is a leader in the global glass industry and is principally engaged in the production and sales of a wide range of glass products, including automobile glass, construction glass, float glass, and other glass products for different commercial and industrial applications. It currently sells its automobile glass products to more than 130 countries. The Offeror is a direct wholly-owned subsidiary of Xinyi Glass and its principal activity is investment holding.

Based on the published information of ZMFY available as at the Latest Practicable Date, there were 530,000,000 Shares in issue. As at the Latest Practicable Date, the Offeror held 140,000,000 Shares, representing approximately 26.42% of the issued share capital of ZMFY.

The Offeror first became a strategic investor of ZMFY Group in November 2011 by acquiring 20% of the then issued share capital of Yu Sheng Investments Limited, the then holding company of the PRC operating entities of the ZMFY Group.

Upon ZMFY's listing of the Shares on GEM on 3 September 2013, the Offeror became interested in 15% of the then issued share capital of ZMFY. The Offeror's interest in ZMFY was increased to approximately 29.17% after completion of its subscription for additional 80,000,000 Shares at the subscription price of HK\$0.55 per Share in May 2014. The interest of the Offeror in ZMFY was subsequently diluted to 26.42% upon exercise of certain of the Convertible Bond issued by ZMFY to Aleta Global Limited, details of which are set out in the paragraph headed "Background" above.

Save as disclosed above, (i) neither the Offeror nor parties acting in concert with it owned or had control or direction over any voting rights and rights over any Shares or any options, warrants or convertible securities in respect of the Shares or has entered into any outstanding derivatives contracts in respect thereof; and (ii) none of the Offeror and parties acting in concert with it has dealt in any Shares or any options, warrants, derivatives or securities convertible into Shares during the period commencing on the date falling six months prior to 3 November 2014 and up to the Latest Practicable Date.

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## LETTER FROM OPTIMA CAPITAL

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As at the Latest Practicable Date, save as disclosed in this Offer Document, (i) there were no agreements or arrangements to which the Offeror is a party which relate to circumstances in which it may or may not invoke or seek to invoke a pre-condition or a condition to the Share Offer; (ii) none of the Offeror and parties acting in concert with it has received any irrevocable commitment to accept the Share Offer; (iii) there were no relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in ZMFY which the Offeror or any party acting in concert with it has borrowed or lent; and (iv) there were no arrangements in relation to the shares of the Offeror or the Shares and which might be material to the Share Offer.

### INFORMATION ON ZMFY

ZMFY is an exempted company incorporated in the Cayman Islands with limited liability. The Shares are currently listed on GEM. The principal business activities of the ZMFY Group are the sales of automobile glass with installation/repair services and the trading of automobile glass.

As set out in the prospectus of ZMFY dated 27 August 2013, the ZMFY Group was founded in 1999 by Ms. Xia Lu, an executive director and the chief executive officer of ZMFY. Ms. Xia is the sister-in-law of Ms. Natsu, who through an indirect wholly-owned subsidiary of Lu Yu (being a company wholly and beneficially owned by Ms. Natsu), acquired the ZMFY Group's business from Ms. Xia and other individual shareholders in 2011. Based on the published information of ZMFY available to the public as at the Latest Practicable Date, Lu Yu held 220,000,000 Shares, representing approximately 41.51% of the issued share capital of ZMFY.

As set out in the paragraph headed "Background" above, based on the disclosure in the ZMFY Response Announcement, the Convertible Bond in the principal amount of HK\$60,816,000 (convertible into 54,690,647 Shares) had been issued to Aleta Global Limited pursuant to the ZMFY Property Acquisition Agreement following the completion of the ZMFY Property Acquisition which was indicated to have taken place on 14 November 2014. Subsequent to the issuance of the Convertible Bond, Aleta Global Limited served a conversion notice to ZMFY to exercise the conversion rights to convert part of the Convertible Bond into 50,000,000 Shares. As disclosed by ZMFY in its announcement dated 21 November 2014, the aforesaid conversion was completed. Based on the published information of ZMFY available to the public as at the Latest Practicable Date, ZMFY had issued and outstanding securities of 530,000,000 Shares and the Convertible Bond in the outstanding principal amount of HK\$5,216,000 (convertible into 4,690,547 Shares).

### REASONS FOR THE SHARE OFFER AND INTENTION OF THE OFFEROR IN RELATION TO ZMFY

On 6 October 2014, the Offeror issued a requisition notice (the "**Requisition**") to the ZMFY Board to requisition an extraordinary general meeting (the "**EGM**") to be held in accordance with article 58 of the Articles for the purpose of considering and approving the resolutions to remove certain ZMFY Directors and appoint two new directors to the ZMFY Board. In this respect, ZMFY issued an announcement dated 8 October 2014, a circular dated 25 October 2014, a clarification announcement dated 4 November 2014 and the ZMFY Response Announcement. The EGM will be held in Beijing at 9:00 a.m. on 5 December 2014.



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## LETTER FROM OPTIMA CAPITAL

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The Offeror has found the trading and business performance of ZMFY since beginning of the year disappointing. The Offeror has in various occasions in recent months strived to explore possible ways with the executive directors of ZMFY to improve the business performance and corporate governance of ZMFY Group but there has not been any proactive response from the management of ZMFY. Hence, the Requisition was made for the purpose of restructuring the ZMFY Board to strengthen the management and leadership of ZMFY Group and pave way for improvement of the business performance of the ZMFY Group. The two proposed new ZMFY Directors have more than 20 years of experience and expertise in the automobile glass industry and the Offeror believes they are suitable persons to lead the ZMFY Group to a better position in the market.

Subsequent to the Requisition, ZMFY issued a profit warning on 28 October 2014 announcing that its profit for the nine months ended 30 September 2014 may be considerably lower than that for the corresponding period in 2013. On 11 November 2014, ZMFY published its third quarterly report for the nine months ended 30 September 2014 which shows that the profits for the three months and nine months ended 30 September 2014 have dropped by approximately 86.9% and 38.9% respectively, as compared to the corresponding periods in 2013. The Offeror further notes that ZMFY has entered into the ZMFY Property Acquisition subsequent to the Requisition. Having read the information contained in the ZMFY Property Announcement, the legal advisers of the Offeror has written to the ZMFY Board to raise its concerns on whether the ZMFY Property Acquisition serves the best interests of ZMFY and the ZMFY Shareholders as a whole and question the commercial merits of and legality surrounding the ZMFY Property Acquisition taking into account that the consideration of the ZMFY Property Acquisition (i.e. RMB48 million) is disproportionately substantial to the total value of the property, plant and equipment of the ZMFY Group as at 30 June 2014 (i.e. approximately RMB20.3 million), and the issue of the Convertible Bond to the Vendor, being a PRC resident, should be subject to certain legal restrictions (the “**Queries**”). The ZMFY Board tried to address the Queries in the ZMFY Response Announcement but the Offeror is of the view that it has not fully addressed the Queries nor has it dispelled the doubt and concerns on the true intention of the ZMFY Property Acquisition. In light of these, the Offeror believes that there is imminent need to restructure the ZMFY Board and to obtain and consolidate control of ZMFY to help improving the corporate governance and business prospects of the ZMFY Group.

The Offeror intends to continue with the existing principal business of the ZMFY Group, which includes the sales of automobile glass with installation/repair services and the trading of automobile glass. The Offeror has no intention to introduce major changes to the business of the ZMFY Group, including any redeployment of fixed assets of ZMFY. Save as set out above and the potential changes to the members of the ZMFY Board pursuant to the Requisition, the Offeror has no plan to terminate the employment of any other employees or other personnel of the ZMFY Group.

### MAINTAINING THE LISTING STATUS OF ZMFY

The Offeror intends ZMFY to remain listed on GEM after the close of the Share Offer.

According to the GEM Listing Rules, if, at the close of the Share Offer, less than 25% of the issued Shares are held by the public or if the Stock Exchange believes that (i) a false market exists or may exist in the trading of the Shares or (ii) there are insufficient Shares in public hands to maintain an orderly market, then the Stock Exchange will consider exercising its discretion to suspend dealings in the Shares.

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## LETTER FROM OPTIMA CAPITAL

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The Offeror will undertake to the Stock Exchange to take appropriate steps to ensure that sufficient public float exists in the Shares after the close of the Share Offer.

### COMPULSORY ACQUISITION

The Offeror does not intend to avail itself of any powers of compulsory acquisition of any Shares outstanding after the close of the Share Offer.

### GENERAL

To ensure equality of treatment of all ZMFY Shareholders, those registered ZMFY Shareholders who hold Shares as nominee for more than one beneficial owner should, as far as practicable, treat the holding of each beneficial owner separately. In order for the beneficial owners of Shares whose investments are registered in the names of nominees to accept the Share Offer, it is essential that they provide instructions to their nominees of their intentions with regard to the Share Offer.

The attention of the holders of Shares with a registered address in jurisdiction outside Hong Kong is drawn to the relevant information in the section headed “Overseas ZMFY Shareholders and Overseas ZMFY CB Holder(s)” in Appendix I to this Offer Document.

Yours faithfully  
For and on behalf of  
**Optima Capital Limited**  
**Mei H. Leung**  
*Chairman*

**1. PROCEDURES FOR ACCEPTANCE****A. The Share Offer**

- (a) If the share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares is/are in your name, and you wish to accept the Share Offer, you must send the duly completed and signed White Form of Acceptance together with the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof), to the Registrar marked “ZMFY Automobile Glass Services Limited — Share Offer” on the envelope as soon as possible but in any event so as to reach the Registrar by not later than 4:00 p.m. on 29 December 2014 or such later time and/or date as the Offeror may determine and announce in compliance with the Takeovers Code.
- (b) If the Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares is/are in the name of a nominee company or a name other than your own, and you wish to accept the Share Offer in respect of your holding of Shares (whether in full or in part), you must either:
  - (i) lodge your Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) with the nominee company, or other nominee, and with instructions authorising it to accept the Share Offer on your behalf and requesting it to deliver the White Form of Acceptance duly completed together with the relevant Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) to the Registrar; or
  - (ii) arrange for the Shares to be registered in your name by ZMFY through the Registrar, and deliver the White Form of Acceptance duly completed and signed together with the relevant Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) to the Registrar; or
  - (iii) if your Shares have been lodged with your licensed securities dealer/registered institution in securities/custodian bank through CCASS, instruct your licensed securities dealer/registered institution in securities/custodian bank to authorize HKSCC Nominees Limited to accept the Share Offer on your behalf on or before the deadline set by HKSCC Nominees Limited. In order to meet the deadline set by HKSCC Nominees Limited, you should check with your licensed securities dealer/registered institution in securities/custodian bank for the timing on the processing of your instruction, and submit your instruction to your licensed securities dealer/registered institution in securities/custodian bank as required by them; or

- (iv) if your Shares have been lodged with your investor participant's account maintained with CCASS, give your instruction via the CCASS Phone System or CCASS Internet System on or before the deadline set by HKSCC Nominees Limited. In order to meet the deadline set by HKSCC Nominees Limited, you should check with your licensed securities dealer/registered institution in securities/custodian bank for the timing on the processing of your instruction, and submit your instruction to your licensed securities dealer/registered institution in securities/custodian bank as required by them; or
- (c) If you have lodged transfer(s) of any of your Shares for registration in your name and have not yet received your Share certificate(s), and you wish to accept the Share Offer in respect of your Shares, you should nevertheless complete and sign the White Form of Acceptance and deliver it to the Registrar together with the transfer receipt(s) duly signed by yourself. Such action will constitute an irrevocable authority to the Offeror and/or Optima Capital or their respective agent(s) to collect from ZMFY or the Registrar on your behalf the relevant Share certificate(s) when issued and to deliver such Share certificate(s) to the Registrar on your behalf and to authorise and instruct the Registrar to hold such Share certificate(s), subject to the terms and conditions of the Share Offer, as if it was/they were delivered to the Registrar with the White Form of Acceptance.
- (d) If the Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares is/are not readily available and/or is/are lost, as the case may be, and you wish to accept the Share Offer in respect of your Shares, the White Form of Acceptance should nevertheless be completed and delivered to the Registrar together with a letter stating that you have lost one or more of your Share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) or that it is/they are not readily available. If you find such document(s) or if it/they become(s) available, the relevant Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) should be forwarded to the Registrar as soon as possible thereafter. If you have lost your Share certificate(s) and/or transfer receipt(s) and/or other document(s) of title, you should also write to the Registrar for a letter of indemnity which, when completed in accordance with the instructions given, should be returned to the Registrar.
- (e) Acceptance of the Share Offer will be treated as effective and valid only if the completed White Form of Acceptance is received by the Registrar on or before the latest time for acceptance of the Share Offer and the Registrar has recorded that the acceptance and any relevant documents required by Note 1 to Rule 30.2 of the Takeovers Code have been so received, and is:
- (i) accompanied by the relevant Share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) and, if that/those Share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities

required in respect thereof) is/are not in your name, such other documents (e.g. a duly stamped transfer of the relevant Share(s) in blank or in favour of the acceptor executed by the registered holder) in order to establish your right to become the registered holder of the relevant Shares; or

(ii) from a registered ZMFY Shareholder or his personal representatives (but only up to the amount of the registered holding and only to the extent that the acceptance relates to the Shares which are not taken into account under another sub-paragraph of this paragraph (e)); or

(iii) certified by the Registrar or the Stock Exchange.

If the White Form of Acceptance is executed by a person other than the registered ZMFY Shareholder, appropriate documentary evidence of authority (e.g. grant of probate or certified copy of a power of attorney) to the satisfaction of the Registrar must be produced.

- (f) Seller's ad valorem stamp duty payable by the Independent ZMFY Shareholders who accept the Share Offer and calculated at a rate of HK\$1.00 for every HK\$1,000 (or part thereof) (as prescribed under the Stamp Duty Ordinance, Chapter 117 of the Laws of Hong Kong) of the market value of the Shares or consideration payable by the Offeror in respect of the relevant acceptances of the Share Offer, whichever is the higher, will be deducted from the amount payable by the Offeror to the relevant Independent ZMFY Shareholders on acceptance of the Share Offer. The Offeror will arrange for payment of the seller's ad valorem stamp duty on behalf of the Independent ZMFY Shareholders who accept the Share Offer and will pay the buyer's ad valorem stamp duty in connection with the acceptances of the Share Offer and the transfer of the Offer Shares.
- (g) If the Share Offer is withdrawn or lapses, the Offeror shall, as soon as possible but in any event within 10 days thereof, return by ordinary post the Share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) lodged with the White Form of Acceptance to the relevant Independent ZMFY Shareholder(s).
- (h) No acknowledgement of receipt of any White Form of Acceptance, Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) will be given.

#### **B. The CB Offer**

- (a) If you accept the CB Offer and the certificate(s) of the Convertible Bond and/or transfer receipts and/or any other document(s) of title for your Convertible Bond and/or any satisfactory indemnity or indemnities required are in your name, you should complete the Blue Form of Acceptance in accordance with the instructions printed thereon in respect of the face value of the Convertible Bond held by you that you wish to tender to the CB Offer, which instructions form part of the terms and conditions of the CB Offer.

- (b) The completed Blue Form of Acceptance should be forwarded, together with the relevant certificate(s) of the Convertible Bond and/or transfer receipt(s) and/or other document(s) of title and/or any satisfactory indemnity or indemnities required which you intend to accept the CB Offer, by post or by hand as soon as possible and in any event so as to reach the the CB Receiving Agent at 3/F, Harbour View 2, 16 Science Park East Avenue, Phase 2, Hong Kong Science Park, Tai Po, New Territories, Hong Kong not later than 4:00 p.m. on 29 December 2014 or such later time and/or date as the Offeror may determine and announce in compliance with the Takeovers Code.
- (c) Seller's ad valorem stamp duty payable by the ZMFY CB Holder(s) who accept the CB Offer and calculated at a rate of 0.1% of (i) the market value of the Convertible Bond; or (ii) consideration payable by the Offeror in respect of the relevant acceptance of the CB Offer, whichever is higher, will be deducted from the amount payable by the Offeror to such person on acceptance of the CB Offer. The Offeror will arrange for payment of the seller's ad valorem stamp duty on behalf of the accepting ZMFY CB Holder(s) and will pay the buyer's ad valorem stamp duty in connection with the acceptance of the CB Offer and the transfer of the Convertible Bond to the stamp office in accordance with the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong).
- (d) No acknowledgement of receipt of any Blue Form of Acceptance and/or the certificate(s) of the Convertible Bond and/or transfer receipt(s) and/or other document(s) of title and/or any satisfactory indemnity or indemnities required will be given.

## **2. SETTLEMENT**

### **A. The Share Offer**

Subject to the Share Offer becoming or being declared unconditional and provided that a valid White Form of Acceptance and the relevant Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) as required by Note 1 to Rule 30.2 of the Takeovers Code are complete and in good order in all respects and have been received by the Registrar by not later than 4:00 p.m. on 29 December 2014 or such later time and/or date as the Offeror may determine and announce in compliance with the Takeovers Code, a cheque for the amount due to each of the Independent ZMFY Shareholders who accept the Share Offer less seller's ad valorem stamp duty in respect of the Offer Shares tendered by him/her/it under the Share Offer will be despatched to such Independent ZMFY Shareholder by ordinary post at his/her/its own risk as soon as possible but in any event within 7 Business Days following the later of the date on which the Share Offer becomes or is declared unconditional and the receipt of all the relevant documents by the Registrar to render such acceptance complete and valid.

Settlement of the consideration to which any Independent ZMFY Shareholder is entitled under the Share Offer will be implemented in full in accordance with the terms of the Share Offer (save with respect of the payment of seller's ad valorem stamp duty), without regard to any lien, right of set-off, counterclaim or other analogous right to which the Offeror may otherwise be, or claim to be, entitled against such Independent ZMFY Shareholder.

**B. The CB Offer**

Provided that a valid Blue Form of Acceptance and the relevant certificate(s) of the Convertible Bond and/or transfer receipt(s) and/or other document(s) of title and/or any satisfactory indemnity or indemnities required in respect thereof have been received by the CB Receiving Agent by not later than 4:00 p.m. on 29 December 2014 or such later time and/or date as the Offeror may determine and announce in compliance with the Takeovers Code, a cheque for the amount due to the ZMFY CB Holder(s) in respect of the Convertible Bond tendered by him/her/it/them under the CB Offer will be despatched to the ZMFY CB Holder(s) by ordinary post at his/her/its/their own risk as soon as possible but in any event within 7 Business Days following the later of the date on which the CB Offer becomes or is declared unconditional and the receipt of all the relevant documents by the CB Receiving Agent to render such acceptance complete and valid.

Settlement of the consideration to which any accepting ZMFY CB Holder(s) is/are entitled under the CB Offer will be implemented in full in accordance with the terms of the CB Offer, without regard to any lien, right of set-off, counterclaim or other analogous right to which the Offeror may otherwise be, or claim to be, entitled against such ZMFY CB Holder(s).

**3. ACCEPTANCE PERIOD AND REVISIONS**

Unless the Offers have previously been declared unconditional or extended or revised with the consent of the Executive, the latest time and date for acceptance will be 4:00 p.m. on the First Closing Date, or if the Offers are extended, any subsequent closing date of the Offers that is extended and announced by the Offeror in accordance with the Takeovers Code. The Share Offer shall be conditional upon, among other things, the Offeror having received acceptances in respect of the Offer Shares which, together with the Shares acquired or agreed to be acquired before or during the Share Offer, will result in the Offeror and parties acting in concert with it holding more than 50% of the voting rights of ZMFY. The CB Offer is conditional upon the Share Offer becoming unconditional in all respects.

The Offeror will make an announcement as and when the Offers become unconditional. The Offeror reserves the right to revise the terms of the Offers. If the Offeror revises the terms of the Offers, all ZMFY Shareholders and the ZMFY CB Holder(s), whether or not they have already accepted the Offers, will be entitled to accept the revised Offers under the revised terms.

If the Offers are extended or revised, the announcement of such extension or revision will state the revised date of closing. If the Offers are revised, the Offers will remain open for acceptance for a period of not less than 14 days from the posting of the revised Offer Document to the ZMFY Shareholders and the ZMFY CB Holder(s). If the closing date of the Offers are extended, any reference in the Offer Document and in the Form(s) of Acceptance to the closing date shall, except where the context otherwise requires, be deemed to refer to the closing date of the Offers as so extended.

The Offeror may introduce new conditions to be attached to revised Offers, or any subsequent revision thereof but only to the extent necessary to implement the revised Offers and subject to the consent of the Executive.

In order to be valid, the relevant Form(s) of Acceptance for the Offers must be received by the Registrar or the CB Receiving Agent (as the case may be) in accordance with the instructions printed thereon by 4:00 p.m. on the First Closing Date, unless the Offers become or are declared unconditional or extended or revised with the consent of the Executive. In the event that the Offers become or are declared unconditional, the Offers will remain open for acceptance for not less than 14 days thereafter.

If there is (i) a tropical cyclone warning signal number 8 or above; or (ii) a “black” rainstorm warning signal: (a) in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on the First Closing Date, the latest time and date for acceptance of the Offers will be extended to 4:00 p.m. on the same Business Day; or (b) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on the First Closing Date, the latest time and date for acceptance will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force at any time between 9:00 a.m. and 4:00 p.m. or such other day as the Executive may approve.

#### **4. ANNOUNCEMENTS**

- (a) By 6:00 p.m. (or such later time and/or date as the Executive may in exceptional circumstances permit) on the First Closing Date, the Offeror must inform the Executive and the Stock Exchange of its decision in relation to the revision, extension, expiry or unconditionality of the Offers. The Offeror must publish an announcement on the website of the Stock Exchange by 7:00 p.m. on the First Closing Date stating, among others, information required under Rule 19.1 of the Takeovers Code, whether the Offers have been revised or extended, have expired or have become or been declared unconditional (and, in each case, whether as to acceptance or in all respects).

The announcement will state the total number of Shares and/or Convertible Bond:

- (i) for which acceptances of the Offers have been received;
- (ii) held, controlled or directed by the Offeror or persons acting in concert with it before the Offer Period;
- (iii) acquired or agreed to be acquired during the Offer Period by the Offeror and any persons acting in concert with it.

The announcement will include details of any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in ZMFY which the Offeror and any parties acting in concert with it has borrowed or lent, save for any borrowed securities which have been either on-lent or sold, and specify the percentages of the relevant classes of issued share capital of ZMFY and the percentages of voting rights of ZMFY represented by these numbers of Shares.



- (b) In computing the total number or principal amount of Shares and/or Convertible Bond represented by acceptances, only valid acceptances that are complete and in good order, and which have been received by the Registrar or the CB Receiving Agent (as the case may be) no later than 4:00 p.m. on the First Closing Date, unless the Offers become or are declared unconditional, or are extended or revised with the consent of the Executive, shall be included.
- (c) As required under the Takeovers Code, all announcements in respect of the Offers must be made in accordance with the requirements of the Takeovers Code and the GEM Listing Rules respectively.

## **5. RIGHT OF WITHDRAWAL**

- (a) Acceptances of the Offers tendered by the Independent ZMFY Shareholders and/or the ZMFY CB Holder(s) shall be irrevocable and cannot be withdrawn, except in the circumstances set out in sub-paragraph (b) below or in compliance with Rule 17 of the Takeovers Code, which provides that an acceptor of any of the Offers shall be entitled to withdraw his/her/its acceptance within 21 days from the First Closing Date if the Offers have not by then become unconditional as to acceptance. An acceptor of any of the Offers may withdraw his/her/its acceptance by lodging a notice in writing signed by the acceptor (or his/her/its agent duly appointed in writing and evidence of whose appointment is produced together with the notice) to the Registrar or the CB Receiving Agent (as the case may be).
- (b) If the Offeror is unable to comply with the requirements set out in the paragraph headed "Announcements" above, the Executive may require that the Independent ZMFY Shareholders and/or the ZMFY CB Holder(s) who has/have tendered acceptances to the Offers be granted a right of withdrawal on terms that are acceptable to the Executive until the requirements set out in that paragraph are met.

If an accepting ZMFY Shareholder and/or an accepting ZMFY CB Holder withdraws his/her/its acceptance, the Offeror shall, as soon as possible but in any event within 10 days thereof, return, by ordinary post and at the risk of the relevant ZMFY Shareholder and/or holder of the Convertible Bond, the Share certificate(s) and/or certificate(s) of the Convertible Bond and/or transfer receipt(s) and/or other document(s) or title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of the Shares and/or Convertible Bond lodged with the Form(s) of Acceptance to the relevant ZMFY Shareholder and/or holder of the Convertible Bond.

## **6. TAXATION**

ZMFY Shareholders and the ZMFY CB Holder(s) are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of their accepting the Offers. None of the Offeror and parties acting in concert with it and Optima Capital or any of their respective directors or any persons involved in the Offers accepts responsibility for any tax effects or liabilities of any person or persons as a result of their acceptances of the Offers.

**7. OVERSEAS ZMFY SHAREHOLDERS AND OVERSEAS ZMFY CB HOLDER(S)**

The making of the Offers to persons with a registered address in jurisdiction outside Hong Kong may be prohibited or affected by the laws of the relevant jurisdiction. The ZMFY Shareholders and the ZMFY CB Holder(s) who are citizens or residents or nationals of jurisdictions outside Hong Kong should obtain appropriate legal advice on, inform themselves about and observe any applicable legal requirement. It is the responsibility of each person who wishes to accept the Offers to satisfy himself/herself/itself as to the full observance of the laws of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents which may be required, the compliance with other necessary formalities or legal requirements and the payment of any transfer or other taxes due by him/her/it in respect of such jurisdiction. Any such overseas ZMFY Shareholder and overseas ZMFY CB Holder will be responsible for any such issue, transfer, or other taxes by whomsoever payable and the Offeror, Optima Capital and any person acting on his/her/its behalf shall be entitled to be fully indemnified and held harmless by such overseas ZMFY Shareholder and overseas ZMFY CB Holder for any such issue, transfer or other taxes as such person may be required to pay.

Overseas ZMFY Shareholders and overseas ZMFY CB Holder(s) are advised to seek professional advice on deciding whether to accept the Offers.

**8. GENERAL**

- (a) All communications, notices, Form(s) of Acceptance, Share certificate(s), certificate(s) of the Convertible Bond, transfer receipt(s), other document(s) of title and/or any satisfactory indemnity or indemnities required in respect thereof and remittances to settle the consideration payable under the Offers will be delivered by or sent to or from the Independent ZMFY Shareholders, the ZMFY CB Holder(s) or their designated agents, by ordinary post at their own risk, and none of the Offeror, Optima Capital and any of their respective directors nor the Registrar, the CB Receiving Agent or other parties involved in the Offers or any of their respective agents accepts any liability for any loss in postage or any other liabilities that may arise as a result thereof.
- (b) The provisions set out in the Form(s) of Acceptance form part of the terms and conditions of the Offers.
- (c) The accidental omission to despatch this Offer Document and/or Form(s) of Acceptance or any of them to any person to whom the Offers are made will not invalidate the Offers in any way.
- (d) The Offers is, and all acceptances will be, governed by and construed in accordance with the laws of Hong Kong. Execution of a Form of Acceptance by or on behalf of a ZMFY Shareholder or a ZMFY CB Holder will constitute such ZMFY Shareholder's or such ZMFY CB Holder's agreement that the courts of Hong Kong shall have exclusive jurisdiction to settle any dispute which may arise in connection with the Offers.

- (e) Due execution of the Form(s) of Acceptance will constitute an authority to the Offeror, Optima Capital or such person or persons as the Offeror or Optima Capital may direct to complete, amend and execute any document on behalf of the person or persons accepting the Offers and to do any other act that may be necessary or expedient for the purposes of vesting in the Offeror, or such person or persons as it may direct, the Shares or the Convertible Bond in respect of which such person or persons has/have accepted the Offers.
- (f) Acceptance of the Offers by any person will be deemed to constitute a warranty by such person to the Offeror:-
  - (i) that the Offer Shares tendered for acceptance under the Share Offer are sold by such person free from all third party rights, liens, claims, charges, equities, options, adverse interests and encumbrances whatsoever and together with all rights accruing or attaching thereto including, without limitation, the rights to receive all dividends and/or other distributions declared, paid or made, if any, on or after the date on which the Share Offer is made or (as the case may be) that the Convertible Bond tendered for acceptance under the CB Offer is free from all third party rights, liens, claims, charges, equities, options, adverse interests and encumbrances whatsoever and renounced together with all rights accruing or attaching thereto on or after the date on which the CB Offer is made or subsequently becoming attached to it and that such ZMFY CB Holder will surrender to ZMFY all of his/her/its existing rights, if any, in respect of the Convertible Bond; and
  - (ii) that if such ZMFY Shareholder or ZMFY CB Holder accepting the Offers is an overseas Independent ZMFY Shareholder or overseas ZMFY CB Holder, he/she/it has informed himself/herself/itself about and has observed the laws and regulations of all relevant jurisdictions in connection therewith, obtained all requisite governmental, exchange control or other consents, complied with other necessary formalities or legal requirements and paid any issue, transfer or other taxes or other required payments due from him/her/it in respect of such jurisdictions, and is permitted under all applicable laws and regulations to receive and accept the Offers and any revision thereof, and that he/she/it has not taken or omitted to take any action which will or may result, in the Offeror, Optima Capital or any other person acting in breach of the legal or regulatory requirements of any jurisdiction in connection with the Offers and his/her/its acceptance thereof, and that such acceptance is valid and binding in accordance with all applicable laws.
- (g) Reference to the Offers in this Offer Document and in the Form(s) of Acceptance shall include any extension or revision thereof and references to the Offers becoming unconditional shall include a reference to the Offers being declared unconditional.

- (h) In relation to any acceptance of the Share Offer in respect of the Offer Shares which are held through CCASS, the Offeror reserves the right to make such alterations, additions or modifications as may be necessary or desirable to give effect to any purported acceptance and transfer of the Share Offer, whether in order to comply with the facilities or requirements of CCASS or otherwise, provided that such alterations, additions or modifications are consistent with the requirements of the Takeovers Code or are otherwise made with the Executive's consent.
- (i) In making their decisions, ZMFY Shareholders and ZMFY CB Holder(s) must rely on his/her/its/their own examination of the Offeror and the terms of the Offers, including the merits and risks involved, The contents of this Offer Document, including any general advice or recommendations contained therein, and the Forms of Acceptance are not to be construed as legal or business advice. ZMFY Shareholders and ZMFY CB Holder(s) could consult with his/her/its/their own professional advisers for professional advice.
- (j) If the Offers lapse for any reason, they shall cease to be capable of further acceptance and the Offeror and Optima Capital shall cease to be bound by any of the prior acceptances.
- (k) The Offers are being made by the issue and despatch of this Offer Document on 27 November 2014.
- (l) The Offers are made in accordance with the Takeovers Code.
- (m) All acceptances, instructions, authorities and undertakings given by the Independent ZMFY Shareholders and/or ZMFY CB Holder(s) in the Form(s) of Acceptance shall be irrevocable except as permitted under the Takeovers Code.
- (n) The English text of this Offer Document and of the Form(s) of Acceptance shall prevail over their respective Chinese text for the purpose of translation.

**1. RESPONSIBILITY STATEMENT**

The directors of the Offeror jointly and severally accept full responsibility for the accuracy of information contained in this Offer Document (save for the information relating to the ZMFY Group and the Vendor) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this Offer Document have been arrived at after due and careful consideration and there are no other facts not contained in this Offer Document the omission of which would make any statement in this Offer Document misleading.

The directors of Xinyi Glass jointly and severally accept full responsibility for the accuracy of information contained in this Offer Document (save for the information relating to the ZMFY Group and the Vendor) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this Offer Document have been arrived at after due and careful consideration and there are no other facts not contained in this Offer Document the omission of which would make any statement in this Offer Document misleading.

The information relating to the ZMFY Group and the Vendor in this Offer Document has been extracted from or based on the published information of ZMFY. The only responsibility accepted by the directors of the Offeror and Xinyi Glass in respect of such information is for the correctness and fairness of the extraction of such information and/or its reproduction or presentation.

**2. MARKET PRICES**

The table below shows, based on publicly available information on ZMFY, the closing price of the Shares quoted on the Stock Exchange on (i) the last day on which trading took place in each of the calendar months during the Relevant Period; (ii) the Last Trading Day; and (iii) the Latest Practicable Date:

<b>Date</b>	<b>Closing price per Share</b> <i>HK\$</i>
30 May 2014	1.59
30 June 2014	1.65
31 July 2014	1.7
29 August 2014	1.3
30 September 2014	1.19
31 October 2014	1.17
3 November 2014 (Last Trading Day)	1.22
26 November 2014 (Latest Practicable Date)	1.15

The highest and lowest closing prices of the Shares as quoted on the Stock Exchange during the Relevant period were HK\$1.73 per Share on 23, 24, 25 and 28 July 2014 and HK\$1.04 per Share on 10 October 2014.

### 3. DISCLOSURE OF INTERESTS OF THE OFFEROR AND ITS DIRECTORS

The Offeror is a company incorporated in the BVI and a wholly-owned by subsidiary of Xinyi Glass. As at the Latest Practicable Date, the Offeror held 140,000,000 Shares, of which 80,000,000 Shares were subscribed by the Offeror at the subscription price of HK\$0.55 per Share on 16 May 2014. Save for this, the Offeror and parties acting in concert with it (including directors of the Offeror) have not dealt in any Shares or any options, warrants, derivatives or securities convertible into Shares during the period commencing on the date falling six months prior to 3 November 2014 and up to the Latest Practicable Date.

Save as disclosed above, (i) neither the Offeror nor parties acting in concert with it (including directors of the Offeror) owned or had control or direction over any voting rights and rights over any Shares or any options, warrants or convertible securities in respect of the Shares or has entered into any outstanding derivatives contracts in respect thereof; (ii) none of the Offeror and parties acting in concert with it (including directors of the Offeror) has dealt for value in any Shares or any options, warrants, derivatives or securities convertible into Shares during the Relevant Period; (iii) none of the Offeror or any parties acting in concert with it (including directors of the Offeror) has any arrangements of the kind referred to in Note 8 to Rule 22 of the Takeovers Code with any other person; and (iv) none of the Offeror or any parties acting in concert with it (including directors of the Offeror) has borrowed or lent any Shares or other securities of ZMFY carrying voting rights or convertible securities, warrants options or derivatives of ZMFY.

### 4. CONSENT AND QUALIFICATION

The following is the qualification of the expert who has given opinion or advice which is contained or referred to in this Offer Document:

<b>Name</b>	<b>Qualification</b>
Optima Capital Limited	a corporation licensed under the SFO to carry out Type 1 (dealing in securities), Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activities under the SFO

Optima Capital has given and has not withdrawn its written consent to the issue of this Offer Document with copy of its letter and the references to its name included herein in the form and context in which they are respectively included.

### 5. ARRANGEMENTS IN CONNECTION WITH THE OFFERS

As at the Latest Practicable Date,

- (a) there was no agreement or arrangement to which the Offeror is a party which relates to the circumstances in which it may or may not invoke or seek to invoke a pre-condition or a condition to the Offers;
- (b) the Offeror had not received any irrevocable commitment to accept or reject the Share Offer;

- (c) the Offeror and parties acting in concert with it had no agreement, arrangement or understanding to transfer, charge or pledge any of the Offer Shares or the Convertible Bond acquired pursuant to the Offers to any other persons;
- (d) no agreements, arrangements or understandings (including any compensation arrangement) existed between the Offeror or any person acting in concert with it and any of the ZMFY Directors, recent ZMFY Directors, and holders or recent holders of Shares which had any connection with or dependence upon the Offers;
- (e) no benefit (other than statutory compensation required under the applicable laws) had been or would be given to any ZMFY Director as compensation for loss of office or otherwise in connection with the Offers;
- (f) no arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code existed between the Offeror or any person acting in concert with it and any other person; and
- (g) there were no Shares or other securities of ZMFY carrying voting rights or convertible securities, warrants, options or derivatives of ZMFY which the Offeror or any parties acting in concert with it has borrowed or lent.

## **6. MISCELLANEOUS**

- (a) The registered office of the Offeror is situated at P. O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands.
- (b) The address of Optima Capital is Suite 1501, 15th Floor, Jardine House, 1 Connaught Place, Central, Hong Kong.
- (c) The principal members of the parties acting in concert with the Offeror are:
  - (i) the Offeror;
  - (ii) Xinyi Glass whose registered office is P.O. Box 1350 GT, Clifton House, 75 Fort Street George Town, Grand Cayman, Cayman Islands;
  - (iii) Mr. LEE Yin Yee, M.H., whose correspondence address is 3/F, Harbour View 2, 16 Science Park East Avenue, Phase 2 Hong Kong Science Park, Pak Shek Kok, Tai Po, New Territories, Hong Kong;
  - (iv) Mr. LEE Sing Din, whose correspondence address is 3/F, Harbour View 2, 16 Science Park East Avenue, Phase 2 Hong Kong Science Park, Pak Shek Kok, Tai Po, New Territories, Hong Kong;
  - (v) Mr. TUNG Ching Sai, whose correspondence address is 3/F, Harbour View 2, 16 Science Park East Avenue, Phase 2 Hong Kong Science Park, Pak Shek Kok, Tai Po, New Territories, Hong Kong;

- (vi) Mr. TUNG Ching Bor, whose correspondence address is 3/F, Harbour View 2, 16 Science Park East Avenue, Phase 2 Hong Kong Science Park, Pak Shek Kok, Tai Po, New Territories, Hong Kong;
- (vii) Mr. LI Chi Tan, whose correspondence address is 3/F, Harbour View 2, 16 Science Park East Avenue, Phase 2 Hong Kong Science Park, Pak Shek Kok, Tai Po, New Territories, Hong Kong;
- (viii) Mr. LEE Shing Kan, whose correspondence address is 3/F, Harbour View 2, 16 Science Park East Avenue, Phase 2 Hong Kong Science Park, Pak Shek Kok, Tai Po, New Territories, Hong Kong;
- (ix) Mr. NG Ngan Ho, whose correspondence address is 3/F, Harbour View 2, 16 Science Park East Avenue, Phase 2 Hong Kong Science Park, Pak Shek Kok, Tai Po, New Territories, Hong Kong;
- (x) Mr. LI Ching Wai, whose correspondence address is 3/F, Harbour View 2, 16 Science Park East Avenue, Phase 2 Hong Kong Science Park, Pak Shek Kok, Tai Po, New Territories, Hong Kong;
- (xi) Mr. SZE Nang Sze, whose correspondence address is 3/F, Harbour View 2, 16 Science Park East Avenue, Phase 2 Hong Kong Science Park, Pak Shek Kok, Tai Po, New Territories, Hong Kong;
- (xii) Mr. LI Ching Leung, whose correspondence address is 3/F, Harbour View 2, 16 Science Park East Avenue, Phase 2 Hong Kong Science Park, Pak Shek Kok, Tai Po, New Territories, Hong Kong.

## **7. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents will be available for inspection on (i) the website of the SFC ([www.sfc.hk](http://www.sfc.hk)); (ii) the website of ZMFY; and (iii) the website of Xinyi Glass ([www.xinyiglass.com](http://www.xinyiglass.com)) for so long as the Offers remain open for acceptance:

- (a) memorandum and articles of association of the Offeror;
- (b) the letter of consent from Optima Capital referred to in the paragraph headed “Consent and Qualification” in this Appendix;
- (c) the letter from Optima Capital, the text of which is set out on pages 5 to 14 of this Offer Document; and
- (d) the documents relating to the banking facility letter issued by The Hongkong and Shanghai Corporation Limited referred to in the paragraph headed “Financial resources” in the Offer Document.