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Zheng Li Holdings Limited

正力控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 8283)

HIGH CONCENTRATION OF SHAREHOLDING

This announcement is made at the request of the Stock Exchange in respect of the high concentration of shareholding of the Company in the hands of a limited number of Shareholders as at 24 May 2017.

In view of the high concentration of shareholding in a small number of Shareholders, Shareholders and prospective investors should be aware that the price of the Shares could fluctuate substantially even with a small number of Shares traded, and should exercise extreme caution when dealing in the Shares

This announcement is made at the request of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) in respect of the high concentration of shareholding of Zheng Li Holdings Limited (the “**Company**”) in the hands of a limited number of shareholders of the Company (the “**Shareholders**”) as at 24 May 2017.

HIGH CONCENTRATION OF SHAREHOLDING

The Company noted that an announcement (the “**SFC Announcement**”) was published by the Securities and Futures Commission (the “**SFC**”) on 8 June 2017.

As disclosed in the SFC Announcement, the SFC has recently completed an enquiry into the shareholding of the Company. The SFC’s findings suggested that as at 24 May 2017, a group of 12 shareholders held an aggregate of 102,660,000 shares of the Company (the “**Shares**”), representing 20.53% of the issued Shares. Such shareholding, together with an aggregate of 375,000,000 Shares (representing 75.00% of the issued Shares) held by two substantial Shareholders of the Company, represented 95.53% of the issued Shares as at 24 May 2017. Therefore, only 22,340,000 Shares (representing 4.47% of the issued Shares) were held by other shareholders.

To the best knowledge of the board (the “**Board**”) of the directors (the “**Directors**”) of the Company after making all reasonable enquiries, the Board confirmed that it has no further knowledge of the identities and the respective shareholdings in the Company of the group of 12 shareholders and the Other Shareholders referred to above other than the information provided in the SFC Announcement.

According to the SFC Announcement, as at 24 May 2017, the shareholding structure of the Company was as follows:

	Number of Shares held <i>(Shares)</i>	% of total number of issued Shares <i>(%)</i>
Mr. Kelvin Lim (<i>Note 1</i>)	281,250,000	56.25
Valiant World Enterprises Limited (<i>Note 2</i>)	93,750,000	18.75
A group of 12 shareholders	102,660,000	20.53
Other shareholders	22,340,000	4.47
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Total	<u>500,000,000</u>	<u>100.00</u>

Note 1: Mr Kelvin Lim is the Chairman, Chief Executive Officer and Executive Director of the Company.

Note 2: The entire issued share capital of Valiant World Enterprises Limited is legally and beneficially owned by Mr. Zhou Yunchuan and Mdm. Ng Geok Luan as to 55% and 45%, respectively.

As stated in the SFC Announcement:

- The Company was listed on the Growth Enterprise Market of the Stock Exchange of Hong Kong Limited on 8 November 2016 by way of placing of 125,000,000 Shares, equivalent to 25% of the issued Shares, at HK\$0.4 per Share. The Shares closed at HK\$4.76 on the first day of listing, which was 10.9 times higher than the placing price.
- The price of the Shares started to increase substantially since 19 January 2017. On 15 February 2017, the Shares closed at HK\$10.1, representing an increase of 102% from the closing price of HK\$5.0 on 18 January 2017. Since then, the Shares were traded between HK\$9.35 and HK\$10.0 during 16 February 2017 to 20 March 2017, and then eased quickly to close at HK\$5.0 on 13 April 2017.
- During this period, inter alia, the Company announced on 27 March 2017 its annual results for the year ended 31 December 2016, which reported a loss of S\$571,000 as compared with a profit of S\$1,716,000 for the year ended 31 December 2015.
- After reaching a low at HK\$5.0 on 13 April 2017, the price of the Shares started to increase continually. On 24 May 2017, the Shares closed at HK\$10.2, representing an increase of 104% from the closing price of HK\$5.0 on 13 April 2017.
- As at 7 June 2017, the Shares closed at HK\$10.52, which was 25.3 times higher than the initial placing price of HK\$0.4.

The information above is extracted from the SFC Announcement and the Board has not independently verified such information other than the shareholding held by Mr Kelvin Lim and Valiant World Enterprises Limited based on disclosure of interests filing with the Company. Please refer to the SFC Announcement for further details.

PUBLIC FLOAT

Based on the information available and to the best knowledge of the Board after making all reasonable enquiries, the Company confirms that as at the date of this announcement, not less than 25% of the issued Shares were held in the public hands, and the Company has maintained a sufficient public float as required under the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange (the “**GEM Listing Rules**”).

In view of the high concentration of shareholding in a small number of Shareholders, Shareholders and prospective investors should be aware that the price of the Shares could fluctuate substantially even with a small number of Shares traded, and should exercise extreme caution when dealing in the Shares.

By order of the Board of
Zheng Li Holdings Limited
Kelvin LIM
*Co-Chairman, Chief Executive Officer and
Executive Director*

Hong Kong, 8 June 2017

As at the date of this announcement, the executive Directors are Mr. Kelvin LIM, Mr. CHUA Boon Hou, Mr. LIM Kong Joo, Mr. WANG Jingan; the non-executive Director is Mr. DU Xianjie; and the independent non-executive Directors are Ms. POK Mee Yau, Mr. LIU Ji and Mr. LEUNG Yiu Cho.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules 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 in this announcement misleading.

This announcement will remain on the “Latest Listed Company Information” page of the website of the Stock Exchange at www.hkexnews.hk for at least seven days from the day of its posting. This announcement will also be published on the website of the Company at www.zhengliholdings.com.