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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)

PROFIT WARNING

This announcement is made by Zheng Li Holdings Limited (the "**Company**"), together with its subsidiaries, the "**Group**") pursuant to Rule 17.10 of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the "**GEM Listing Rules**") and the Inside Information Provisions (as defined in the GEM Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong).

The board (the "**Board**") of directors (the "**Directors**", each a "**Director**") of the Company wishes to inform the shareholders of the Company ("**Shareholders**") and potential investors that, based on a preliminary review of the unaudited consolidated management accounts of the Group, the Group recorded a growth in revenue in both maintenance and repair services segment and modification, tuning and grooming services and trading of spare parts segment and an increase in gross profit for the nine months ended 30 September 2018 as compared to the corresponding period in 2017 as a result of the opening of our new Sin Ming Autocity service centre which commenced operations in September 2017. However, the Group is expected to record a loss for the nine months ended 30 September 2018 as compared to a net profit of S$30,000 for the corresponding period in 2017. This was mainly attributable to an increase in administrative and operating expenses including employee benefits expense, depreciation of property, plant and equipment, rental expense due to commencement of operations at Sin Ming Autocity service centre and professional advisory fees.

As the Company is in the process of finalising its third quarterly results of the Group for the nine months ended 30 September 2018, the information contained in this announcement is only based on a preliminary assessment by the Board based on the information available to it and the unaudited consolidated management accounts of the Group for the nine months ended 30 September 2018 which have not been audited by the Company's auditor. Further details of the Group's financial results and performances will be disclosed in the announcement of the third quarterly results of the Group for the nine months ended 30 September 2018 which is expected to be announced on 7 November 2018.

Shareholders and potential investors should exercise caution when dealing in the shares of the Company.

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

Hong Kong, 2 November 2018

As at the date of this announcement, the executive Directors are Mr. Kelvin LIM, Mr. CHUA Boon Hou, Mr. CHEN Feng and Mr. YAN Jianqiang, the non-executive Director is Mr. WU Tangqing; and the independent non-executive Directors are Mr. LEUNG Yiu Cho, Mr. ZHANG Guangdong and Mr. DENG Bin.

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.