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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)

- (I) QUARTERLY UPDATE ON RECENT DEVELOPMENT OF TRADING HALT;**
- (II) DELAY IN PUBLICATION OF THE FIRST QUARTERLY RESULTS AND DELAY IN DISPATCH OF THE FIRST QUARTERLY REPORT FOR THE THREE MONTHS ENDED 31 MARCH 2021; AND**
- (III) CONTINUATION OF TRADING HALT**

This announcement is made pursuant to Rule 17.10 of the Rules Governing the Listing of Securities on GEM (the “**GEM Listing Rules**”) of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the Inside Information Provisions (as defined in the GEM Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the announcements of Zheng Li Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 2 November 2020, 12 November 2020, 16 December 2020, 20 January 2021, 2 February 2021, 17 February 2021, 1 March 2021 and 31 March 2021 (the “**Announcements**”), respectively, in relation to, among other things, (i) the delay in publication of the 2020 Third Quarterly Results and the delay in dispatch of the 2020 Third Quarterly Report; (ii) the resumption conditions of the Company, the quarterly update on recent development of trading halt; and (iv) the delay in publication of the 2020 Annual Results and the delay in dispatch of the 2020 Annual Report. Unless otherwise stated, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcements.

BUSINESS OPERATION

The Group is principally engaged in (i) maintenance and repair of passenger cars; (ii) modification, tuning and grooming of the performance or appearance of passenger cars and trading of spare parts and accessories; (iii) provision of motor finance services; (iv) provision of a sales-integrated service platform; and (v) trading of passenger cars for the year ended 31 December 2020. The operation of the Group is normal as at the date of this announcement.

QUARTERLY UPDATE OF RECENT DEVELOPMENT OF TRADING HALT AND IMPLEMENTATION OF THE RESUMPTION PLAN AND SATISFYING THE RESUMPTION CONDITIONS

The Stock Exchange has set out below the resumption guidance in January 2021:

- (a) publish all outstanding financial results required under the GEM Listing Rules and address any modifications;
- (b) demonstrate compliance with GEM Listing Rule 17.26; and
- (c) inform the market of all material information for shareholders and investors to appraise the Company's position.

In relation to (a) above, the Company has been pending financial information from a major subsidiary in Singapore (the “**Singapore subsidiary**”) and more additional time is required for the preparation of the 2020 Third Quarterly Results. The Board and the senior management of the Company (the “**Senior Management**”) have been making their best endeavours to try to obtain financial information from the Singapore subsidiary. It expects that the Senior Management will obtain financial information for the 2020 Third Quarterly Results on or around 25 May 2021. The Company will publish further announcement in due course to inform the shareholders of the Company on the date of the release of the 2020 Third Quarterly Results. For the requirements of the other resumption guidance, the Company is taking necessary steps to fulfil such requirements and will keep inform the public on the progress as and when appropriate.

The Board would like to announce that, as at the date of this announcement, the publication of the 2020 Third Quarterly Results is subject to the internal review of the audit committee of the Company. The Company will publish the 2020 Third Quarterly Results as soon as practicable.

As disclosed in the announcement dated 8 March 2021 regarding the resignation of auditor, the Company has been seeking to engage a new audit firm to act as the new auditor of the Company, and shall proceed to devising the audit plan for the Company.

As disclosed in the announcement dated 31 March 2021 regarding the resignation of independent non-executive director, the Company has two independent non-executive Directors and the audit committee of the Board comprises only two members. In addition, the Company no longer meets the composition requirements for the remuneration committee, nomination committee and risk management committee. As such the Board has been making its best endeavours to identify suitable candidate to fill the vacancy as soon as practicable and in any event within three months from 31 March 2021 in order to ensure compliance by the Company with the requirements set out in the GEM Listing Rules, the Corporate Governance Code and the terms of reference of the respective committees.

DELAY IN PUBLICATION OF THE FIRST QUARTERLY RESULTS AND DELAY IN DISPATCH OF THE FIRST QUARTERLY REPORT FOR THE THREE MONTHS ENDED 31 MARCH 2021

Pursuant to Rule 18.66 of the GEM Listing Rules, the Company must publish its quarterly results announcement (the “**2021 First Quarterly Results**”) and dispatch its quarterly report (the “**2021 First Quarterly Report**”), in respect of the first three months ended 31 March 2021, not later than 45 days after the end of the first quarter of each financial year, i.e. 14 May 2021. As the publication of the 2020 Annual Results is still pending, the Company is unable to make the 2021 First Quarterly Results announcement and dispatch its 2021 First Quarterly Report to the Shareholders within the prescribed time in accordance with the GEM Listing Rules. The Company will publish the 2021 First Quarterly Results and dispatch the 2021 First Quarterly Report as soon as practicable.

CONTINUATION OF TRADING HALT

At the request of the Company, trading in the shares of the Company on the Stock Exchange has been halted since 16 November 2020, will continue and remain halted until the publication of the 2021 First Quarterly Results and the dispatch of the 2021 First Quarterly Report. Further announcement will be made by the Company in this respect as and when appropriate.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares or other securities of the Company.

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

Hong Kong, 17 May 2021

As at the date of this announcement, the executive Directors are Mr. YAN Jianqiang, Mr. WU Tangqing and Mr. CHUA Boon Hou (CAI Wenhao); the non-executive Director is Mr. YUAN Guoshun; and the independent non-executive Directors are Mr. LEUNG Yiu Cho and Mr. CHEN Huichun.

This announcement, for which the Directors of the Company 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 GEM website at www.hkgem.com 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.