

Unless otherwise defined herein, capitalised terms and expressions used in this announcement shall have the same meanings as those defined in the prospectus dated 31 October 2016 (the “**Prospectus**”) issued by Zheng Li Holdings Limited (the “**Company**”).

Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and Hong Kong Securities Clearing Company Limited (“**HKSCC**”) take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

This announcement is for information purposes only and does not constitute an offer or an invitation to acquire, purchase or subscribe for the Shares or other securities of the Company. Potential investors should read the Prospectus carefully for detailed information about the Company and the Placing described below before deciding whether or not to invest in the Placing Shares thereby being offered.

Prospective investors of the Placing Shares should note that the Sponsor and/or the Lead Manager (also in its capacity as the Underwriter) shall have the absolute right to terminate the Underwriting Agreement by notice in writing to the Company with immediate effect if any of the events set forth in “Underwriting — Underwriting arrangements, commissions and expenses — Grounds for termination” in the Prospectus occurs at any time prior to 8:00 a.m. (Hong Kong time) on the Listing Date, which is currently expected to be Tuesday, 8 November 2016.

Zheng Li Holdings Limited **正力控股有限公司**

(incorporated in the Cayman Islands with limited liability)

LISTING ON THE GROWTH ENTERPRISE MARKET OF THE STOCK EXCHANGE OF HONG KONG LIMITED BY WAY OF PLACING

Number of Placing Shares : 125,000,000 Placing Shares
Placing Price : HK\$0.4 per Placing Share (payable in full upon application, plus brokerage fee of 1.0%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005%)
Nominal Value : HK\$0.01 per Share
Stock Code : 8283

Sponsor



大有融資有限公司
MESSIS CAPITAL LIMITED

Bookrunner and Lead Manager



Great Wall Securities Limited
長城證券有限公司

SUMMARY

- The Placing Price is HK\$0.4 per Placing Share (exclusive of brokerage fee of 1.0%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005%).
- The amount of the net proceeds from the Placing to be received by the Company, after deducting the expenses related to the Placing payable by the Company, is estimated to be approximately HK\$24.6 million. The Company intends to apply such net proceeds from the Placing in a manner set out in the paragraph headed “Placing Price and use of proceeds” below.
- The 125,000,000 Placing Shares offered under the Placing have been slightly over-subscribed and have been conditionally allocated to a total of 130 selected professional, institutional and/or other investors. A total of 74 placees have been allotted two board lots of Placing Shares or less, representing approximately 56.9% of the total number of placees under the Placing, and approximately 0.41% of the total number of Placing Shares. A total of 46 placees have been allotted one board lot of Placing Shares, representing approximately 35.4% of the total number of placees under the Placing, and approximately 0.18% of the total number of Placing Shares.
- The Directors confirm that, to the best of their knowledge and belief, all placees under the Placing are independent of and not connected with the Company and any of Director, chief executive, substantial shareholder or significant shareholder (as defined under the GEM Listing Rules) of the Company or any of its subsidiaries, or any of their respective close associates (as defined under the GEM Listing Rules), and are not any type of person or group of persons referred to in Rule 10.12(4) of the GEM Listing Rules or any nominees of the foregoing, and none of the Placing Shares subscribed by the placees has been financed directly or indirectly by the Company, a Director, chief executive, substantial shareholder of the Company or any of its subsidiaries or a close associate of any of them, and none of the placees is accustomed to take instructions from a connected person (as defined in the GEM Listing Rules) of the Company in relation to the acquisition, disposal, voting or other disposition of securities in the Company. No placee, individually, has been or will be placed more than 10% of the enlarged issued share capital of the Company immediately after completion of the Capitalisation Issue and the Placing. The Directors confirm that there will not be any new substantial shareholder of the Company (as defined in the GEM Listing Rules) immediately after completion of the Capitalisation Issue and the Placing.

- Pursuant to Rule 11.23(7) of the GEM Listing Rules, the Company is required to maintain a public float of at least 25% of its total issued share capital at the time when the Shares commence dealings on GEM and at all times thereafter. Pursuant to Rule 11.23(8) of the GEM Listing Rules, not more than 50% of the Shares in public hands at the time of the Listing can be beneficially owned by the three largest public Shareholders. The Directors confirm that, immediately after completion of the Capitalisation Issue and the Placing, the public float of the Company will be 25% of the enlarged issued share capital of the Company, and not more than 50% of the Shares in public hands at the time of the Listing will be owned by the three largest public Shareholders.
- Dealings in the Shares on GEM are expected to commence at 9:00 a.m. (Hong Kong time) on Tuesday, 8 November 2016. The Shares will be traded in board lots of 5,000 Shares each. The stock code for the Shares is 8283.
- **Investors should be aware that the concentration of Shareholders may affect the liquidity of the Shares. Consequently, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

PLACING PRICE AND USE OF PROCEEDS

The Placing Price is HK\$0.4 per Placing Share (exclusive of brokerage fee of 1.0%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005%).

The amount of the net proceeds from the Placing to be received by the Company, after deducting the expenses related to the Placing payable by the Company, is estimated to be approximately HK\$24.6 million. The Company intends to apply such net proceeds for the following purposes:

- approximately HK\$14.1 million, representing approximately 57.4% of the net proceeds from the Placing, will be used for expanding our servicing capacity;
- approximately HK\$4.3 million, representing approximately 17.5% of the net proceeds from the Placing, will be used for expanding and training the workforce of the Group;
- approximately HK\$2.4 million, representing approximately 9.9% of the net proceeds from the Placing, will be used for strengthening the brand and sales and marketing of the Group;
- approximately HK\$2.1 million, representing approximately 8.4% of the net proceeds from the Placing, will be used for upgrading the informational technology system of the Group;

- approximately HK\$1.3 million, representing approximately 5.3% of the net proceeds from the Placing, will be used for partial repayment of bank loan; and
- approximately HK\$0.4 million, representing approximately 1.5% of the net proceeds from the Placing, will be used as working capital and for general corporate purposes.

For further details of the Group’s intended use of the net proceeds from the Placing, please refer to “Future Plans and Use of Proceeds” in the Prospectus.

LEVEL OF INDICATIONS OF INTERESTS UNDER THE PLACING

The 125,000,000 Placing Shares offered under the Placing have been slightly over-subscribed and have been conditionally allocated to a total of 130 selected professional, institutional and/or other investors. A total of 74 placees have been allotted two board lots of Placing Shares or less, representing approximately 56.9% of the total number of placees under the Placing, and approximately 0.41% of the total number of Placing Shares. A total of 46 placees have been allotted one board lot of Placing Shares, representing approximately 35.4% of the total number of placees under the Placing, and approximately 0.18% of the total number of Placing Shares.

RESULTS OF ALLOCATION

Pursuant to the Placing, 125,000,000 Placing Shares have been conditionally allocated to a total of 130 selected professional, institutional and/or other investors. The distribution of the Placing Shares is set out as follows:

	Aggregate number of Placing Shares allocated	Approximate percentage of the total number of Placing Shares allocated	Approximate percentage of shareholding to the enlarged issued share capital of the Company immediately after completion of the Capitalisation Issue and the Placing
Top placee	22,000,000	17.6%	4.4%
Top 5 placees	84,200,000	67.4%	16.8%
Top 10 placees	113,700,000	91.0%	22.7%
Top 25 placees	122,200,000	97.8%	24.4%

Number of Placing Shares allocated	Number of placees
5,000 to 100,000	104
105,000 to 500,000	10
505,000 to 5,000,000	7
5,005,000 to 15,000,000	7
15,005,000 to 25,000,000	<u>2</u>
Total	<u><u>130</u></u>

The Directors confirm that, to the best of their knowledge and belief, all placees under the Placing are independent of and not connected with the Company and any of Director, chief executive, substantial shareholder or significant shareholder (as defined under the GEM Listing Rules) of the Company or any of its subsidiaries, or any of their respective close associates (as defined under the GEM Listing Rules), and are not any type of person or group of persons referred to in Rule 10.12(4) of the GEM Listing Rules or any nominees of the foregoing, and none of the Placing Shares subscribed by the placees has been financed directly or indirectly by the Company, a Director, chief executive, substantial shareholder of the Company or any of its subsidiaries or a close associate of any of them, and none of the placees is accustomed to take instructions from a connected person (as defined in the GEM Listing Rules) of the Company in relation to the acquisition, disposal, voting or other disposition of securities in the Company. No placee, individually, has been or will be placed more than 10% of the enlarged issued share capital of the Company immediately after completion of the Capitalisation Issue and the Placing. The Directors confirm that there will not be any new substantial shareholder of the Company (as defined in the GEM Listing Rules) immediately after completion of the Capitalisation Issue and the Placing.

Investors should be aware that the concentration of Shareholders may affect the liquidity of the Shares. Consequently, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

MINIMUM PUBLIC FLOAT REQUIREMENT

Pursuant to Rule 11.23(2)(b) of the GEM Listing Rules, the Shares in the hands of the public should, as at the time of Listing, be held among at least 100 persons.

Pursuant to Rule 11.23(7) of the GEM Listing Rules, the Company is required to maintain a public float of at least 25% of its total issued share capital at the time when the Shares commence dealings on GEM and at all times thereafter. Pursuant to Rule 11.23(8) of the GEM Listing Rules, not more than 50% of the Shares in public

hands at the time of the Listing can be beneficially owned by the three largest public Shareholders. The Directors confirm that, immediately after completion of the Capitalisation Issue and the Placing, the public float of the Company will be 25% of the enlarged issued share capital of the Company, and not more than 50% of the Shares in public hands at the time of the Listing will be owned by the three largest public Shareholders.

DEPOSIT OF SHARE CERTIFICATES INTO CCASS

Subject to the granting of the listing of, and permission to deal in, the Shares on GEM and the compliance by the Company with the stock admission requirements of HKSCC, the Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the Listing Date (i.e. Tuesday, 8 November 2016), or on such other date as determined by HKSCC.

Settlement of transactions between participants of the Stock Exchange is required to take place in CCASS on the second business day after any trading day. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

All necessary arrangements have been made for the Shares to be admitted into CCASS.

No receipt will be issued for subscription monies paid for the Placing Shares. The Company will not issue temporary documents of title.

The share certificates issued for the Placing Shares to be distributed via CCASS are expected to be deposited into CCASS on or about Monday, 7 November 2016 for credit to the relevant CCASS Participants' stock accounts designated by the Bookrunner (also in its capacity as the Underwriter), the placees or their respective agents (as the case may be) based on their respective instructions.

Prospective investors of the Placing Shares should note that the Sponsor and/or the Lead Manager (also in its capacity as the Underwriter) shall have the absolute right to terminate the Underwriting Agreement by notice in writing to the Company with immediate effect if any of the events set forth in "Underwriting — Underwriting arrangements, commissions and expenses — Grounds for termination" in the Prospectus occurs at any time prior to 8:00 a.m. (Hong Kong time) on the Listing Date (i.e. Tuesday, 8 November 2016). In the event that the Underwriting Agreement is terminated, an announcement will be published by the Company on the Stock Exchange's website at www.hkexnews.hk and the Company's website at www.zhengliholdings.com accordingly.

All share certificates for the Placing Shares will only become valid documents of title when the Placing has become unconditional in all respects and the Underwriting Agreement has not been terminated in accordance with its terms prior to 8:00 a.m. (Hong Kong time) on the Listing Date, which is expected to be Tuesday, 8 November 2016.

COMMENCEMENT OF DEALINGS

Dealings in the Shares on GEM are expected to commence at 9:00 a.m. (Hong Kong time) on Tuesday, 8 November 2016. If there is any change to the expected timetable, an announcement will be published immediately by the Company on the Stock Exchange's website at **www.hkexnews.hk** and the Company's website at **www.zhengliholdings.com**. The Shares will be traded in board lots of 5,000 Shares each. The stock code for the Shares is 8283.

By order of the Board
Zheng Li Holdings Limited
Kelvin Lim
Chairman and executive Director

Singapore, 7 November 2016

As at the date of this announcement, the executive Directors are Mr. Kelvin Lim, Mr. Chua Boon Hou (Cai Wenhao) and Mr. Lim Kong Joo, 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 herein or this announcement misleading.

*This announcement will remain on the Stock Exchange's website at **www.hkexnews.hk** and on the "Latest Company Announcements" page for at least seven days from the date of its posting. This announcement will also be published on the Company's website at **www.zhengliholdings.com**.*