

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited 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.

Zheng Li Holdings Limited

正力控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8283)

FULFILLMENT OF RESUMPTION GUIDANCE AND RESUMPTION OF TRADING

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

Reference is made to the announcements of the Company dated 2 November 2020, 12 November 2020, 16 December 2020, 20 January 2021, 2 February 2021, 17 February 2021, 1 March 2021, 31 March 2021, 17 May 2021, 20 May 2021 and 9 July 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; (iii) the quarterly update on recent development of trading halt; (iv) the delay in publication of the 2020 Annual Results and the delay in dispatch of the 2020 Annual Report; (v) the delay in publication of the 2021 First Quarterly Results and the delay in dispatch of the 2021 First Quarterly Report; (vi) the additional resumption guidance; and (vii) the delay in publication of the 2021 Interim Results and the delay in dispatch of the 2021 Interim Report. Unless otherwise stated, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcements.

BACKGROUND OF SUSPENSION OF TRADING IN THE SHARES

As disclosed in the Announcements, the Company was unable to publish the 2020 Third Quarterly Results and the despatch of the 2020 Third Quarterly Report as the Company has been pending financial information from a major subsidiary in Singapore and more additional time is required for the preparation of the 2020 Third Quarterly Results. At the request of the Company, trading in its shares on the Stock Exchange has been halted with effect from 9:00 a.m. on 16 November 2020 and will remain suspended until the release of the 2020 Third Quarterly Report.

FULFILLMENT OF RESUMPTION GUIDANCE

Resumption Guidance

As disclosed in the announcements dated 2 February 2021 and 20 May 2021, at the request of the Stock Exchange, the resumption of trading in the Shares is subject to the fulfilment of the following guidance:

- (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;
- (c) inform the market of all material information for Shareholders and investors of the Company to appraise the Company's position; and
- (d) re-comply with Rules 5.05(1) and 5.28 of the GEM Listing Rules.

Satisfaction of the Resumption Guidance

The Board is pleased to announce that the Company has fulfilled the Resumption Guidance on the following basis:

- (a) *publish all outstanding financial results required under the GEM Listing Rules and address any modifications*

The following outstanding financial results of the Group as required by the GEM Listing Rules have been published on the website of the Stock Exchange and the Company's website: (i) the 2020 Third Quarterly Results and the 2020 Third Quarterly Report were published on 7 October 2021; (ii) the 2020 Annual Results and the 2020 Annual Report were published on 8 October 2021, and there is no audit modification to the 2020 Annual Results; (iii) the 2021 First Quarterly Results, the 2021 First Quarterly Report, the 2021 Interim Results and the 2021 Interim Report were published on 20 October 2021. Hence, the Company had published all the outstanding financial results of the Group as required by the GEM Listing Rules as at the date of this announcement.

- (b) *demonstrate compliance with GEM Listing Rule 17.26*

At the date of this announcement, the business operations of the Group are continuing as usual in all material respects. Please refer to the 2020 Annual Report, 2021 First Quarterly Report and the 2021 Interim Report for details of the Group's financial position and financial performance.

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.

As disclosed in the 2021 Interim Report, the Group's total revenue for six months ended 30 June 2021 was approximately S\$10.8 million (30 June 2020: S\$10.3 million), which represented an increase of approximately 4.9% as compared with the corresponding period in 2020. The Group also recorded a profit attributable to owners of the Company of approximately S\$0.3 million for the six months ended 30 June 2021 as compared to a loss of S\$0.4 million for the corresponding period in 2020. As at 30 June 2021, the total assets of the Group was approximately S\$20.5 million and the net assets of the Group was approximately S\$8.5 million. The Group is a leading automotive service provider in Singapore. It has over 17 years of experience in the passenger car service industry and offer a comprehensive range of passenger car services. The Group's passenger car services in Singapore mainly including (i) maintenance and repair services; and (ii) modification, tuning and grooming services. These two services contributed approximately 100% or S\$10.8 million of total revenue for the period ended 30 June 2021 (30 June 2020: 95% or S\$9.7 million) and will be continue to be a key focus of the Group. The Group has also penetrating into China automobiles industry since the third quarter of 2018. The Group's new businesses in China primarily engage in timeshare car rental and long-term car rental. The management is committed to developing the "Internet +" car sharing and rental market in China. Besides, the Group is also providing our customers with an innovative car rental and a sales-integrated service platform which covers car sales and car rental service. However, due to COVID-19 outbreak, the revenue generated from subsidiaries in China saw a 100% decrease from approximately S\$0.5 million for the period ended 30 June 2020 to nil revenue for the period ended 30 June 2021. Nevertheless, these new businesses will continue to provide a prime opportunity for the Group to diversify the Group's scope of business.

The Board considered that the Company has sufficient assets and sufficient level of operations to warrant the continued listing of its securities.

As a result of the foregoing, the Company is capable of demonstrating compliance with Rule 17.26 of the GEM Listing Rules.

(c) *inform the market of all material information for Shareholders and investors of the Company to appraise the Company's position*

The Company has included all material information on its business, financial performance and operation management in the 2020 Third Quarterly Report, 2020 Annual Report, 2021 First Quarterly Report, 2021 Interim Report and other publication in accordance with the GEM Listing Rules and other applicable regulatory requirements. To the best knowledge of the Directors, there is no other information required to be disclosed under Part XIVA of the SFO and no other undisclosed information that is material for the Company's shareholders and other investors to appraise the Company's position.

(d) re-comply with Rules 5.05(1) and 5.28 of the GEM Listing Rules

The Company has appointed Mr. Zhao Wei (“**Mr. Zhao**”) as an independent non-executive Director, the chairman of the nomination committee and the risk management committee and a member of the audit committee and the remuneration committee of the Company with effect from 20 October 2021. Following the appointment of Mr. Zhao, the Company has fulfilled the requirements under the Rules 5.05(1) and 5.28 of the GEM Listing Rules.

In addition, the audit committee of the Company has conducted an internal control review of the Group and no material or significant internal control weakness or deficiency had been identified, which demonstrate that the Company has in place adequate internal controls and procedures to comply with the GEM Listing Rules.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended with effect from 9:00 a.m. on 16 November 2020. As the Resumption Guidance have been fulfilled, an application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 21 October 2021.

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

Hong Kong, 20 October 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, Mr. CHEN Huichun and Mr. ZHAO Wei.

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 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.