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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)

(1) PROPOSED SHARE SUBDIVISION; AND
(2) PROPOSED AMENDMENTS TO
THE MEMORANDUM AND ARTICLES OF ASSOCIATION

PROPOSED SHARE SUBDIVISION

The Board proposes that each of the existing issued and unissued Shares be subdivided into four (4) Subdivided Shares. The Share Subdivision will become effective upon the fulfillment of the conditions set out under the paragraph headed “Conditions of the Share Subdivision” below. Upon the Share Subdivision becoming effective, the board lot size for trading on the Stock Exchange will remain unchanged in board lots of 5,000 Subdivided Shares.

PROPOSED AMENDMENTS TO THE MEMORANDUM AND ARTICLES OF ASSOCIATION

The Board proposes to make certain amendments to the Memorandum and Articles of Association for the purpose of, amongst others, (i) reflecting the new par value of the Subdivided Shares; (ii) establishing and facilitating the operation of a co-chairman structure of the Company; and (iii) other housekeeping amendments.

The proposed amendments to the Memorandum and Articles of Association are subject to the approval of the Shareholders by way of a special resolution at the EGM.

GENERAL

The EGM will be convened for the Shareholders to consider and, if thought fit, approve the proposed Share Subdivision and the proposed amendments to the Memorandum and Articles of Association. The Circular together with the notice of the EGM will be despatched to the Shareholders as soon as practicable.

SHARE SUBDIVISION

The Board proposes that each of the existing issued and unissued Shares be subdivided into four (4) Subdivided Shares.

As at the date of this announcement, the authorised share capital of the Company is HK\$20,000,000, divided into 2,000,000,000 Shares, of which 500,000,000 Shares are in issue and fully paid or credited as fully paid. Assuming that no further Shares will be issued or repurchased after the date of this announcement and prior to the Share Subdivision becoming effective, the effect of the Share Subdivision is set out as follows:

	Prior to the Share Subdivision	After the Share Subdivision
Par value of each Share	HK\$0.01	HK\$0.0025
Number of authorised Shares	2,000,000,000	8,000,000,000
Authorised share capital	HK\$20,000,000	HK\$20,000,000
Number of Shares in issue	500,000,000	2,000,000,000
Issued share capital	HK\$5,000,000	HK\$5,000,000
Number of unissued Shares	1,500,000,000	6,000,000,000
Unissued share capital	HK\$15,000,000	HK\$15,000,000

The Subdivided Shares will rank *pari passu* in all respects with one another and the Share Subdivision will not result in any change in the relevant rights of the Shareholders. As at the date of this announcement, no options have been granted under the Share Option Scheme.

An application will be made to the Stock Exchange for the listing of and the permission to deal in the Subdivided Shares.

CONDITIONS OF THE SHARE SUBDIVISION

The Share Subdivision is conditional upon, *inter alia*:

- (i) the passing of the resolution(s) by the Shareholders at the EGM to approve the relevant resolution(s) in respect of the Share Subdivision; and
- (ii) the Stock Exchange granting the approval to the listing of, and permission to deal in, the Subdivided Shares.

The Share Subdivision will become effective after the conditions of the Share Subdivision above are fulfilled.

BOARD LOT SIZE

The Shares are currently traded in board lots of 5,000 Shares. Upon the Share Subdivision becoming effective, the board lot size of the Subdivided Shares for trading on the Stock Exchange will remain as 5,000 Subdivided Shares. No odd lots of Subdivided Shares will be resulted from the Share Subdivision other than those already existed before the Share Subdivision becoming effective. Accordingly, no arrangement will be made by the Company for matching of sale and purchase of odd lots in connection with the Share Subdivision.

EXCHANGE OF SHARE CERTIFICATES

Upon the Share Subdivision having become effective, the Shareholders may, on or after Thursday, 4 April 2019 until Friday, 17 May 2019, submit existing share certificates in respect of the Shares to the Company's Hong Kong branch share registrar and transfer office, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong to exchange at the expenses of the Company, for the new share certificates for the Subdivided Shares. After the expiry of such period, existing share certificates for the Shares will be accepted for exchange only on payment of a fee of HK\$2.5 (or such higher amount as may from time to time be permitted under the GEM Listing Rules) per existing share certificate cancelled or new share certificate issued, by reference to the higher number of certificates may be. It is expected that new share certificates for the Subdivided Shares will be available for collection on or after the 10th Business Day from the date of submission of the existing share certificates to the Company's Hong Kong branch share registrar and transfer office at the above address.

Subject to the Share Subdivision having become effective, the existing share certificates will only be valid for delivery, trading and settlement purposes for the period up to 4:00 pm on 15 May 2019 and thereafter will not be accepted for delivery, trading and settlement purposes. However, all existing share certificates will continue to be evidence of legal title to Subdivided Shares on the basis of one (1) Share for four (4) Subdivided Shares.

The new share certificates will be blue in colour so as to distinguished from the existing share certificates which are orange in colour.

OUTSTANDING SHARE OPTIONS UNDER THE SHARE OPTION SCHEME AND OTHER CONVERTIBLE SECURITIES OF THE COMPANY

As at the date of this announcement, no outstanding share options have been granted under the Share Option Scheme and the Company has no other convertible securities outstanding.

REASONS FOR THE SHARE SUBDIVISION

The Share Subdivision will reduce the nominal or par value and trading price of each Share and increase the number of Shares in issue. Although the Share Subdivision will result in downward adjustment to the trading price of the Shares, the Board believes that the Share Subdivision would enhance the liquidity in trading of the Shares and thereby would enable the Company to attract more investors and broaden its Shareholders base. Accordingly, the Board considers that the Share Subdivision is in the interest of the Company and its Shareholders as a whole.

Save for the expenses to be incurred by the Company in relation to the Share Subdivision, the implementation of the Share Subdivision will not, by itself, alter the underlying assets, business operations, management or the financial position of the Company or the proportionate interest of the Shareholders. The Directors believe that the Share Subdivision will not have a material adverse effect on the financial position of the Group.

PROPOSED AMENDMENTS TO THE MEMORANDUM AND ARTICLES OF ASSOCIATION

The Board proposes to make certain amendments to the Memorandum and Articles of Association for the purpose of, amongst others, (i) reflecting the new par value of the Subdivided Shares; (ii) establishing and facilitating the operation of a co-chairman structure of the Company; and (iii) other housekeeping amendments. The proposed amendments to the Memorandum and Articles of Association are subject to the approval of the Shareholders by way of a special resolution at the EGM.

Details of the proposed amendments to the Memorandum and Articles of Association will be provided in the Circular to be dispatched to the Shareholders.

EXPECTED TIMETABLE

The expected timetable for the Share Subdivision is set out below:

2019

Expected date of despatch of the Circular
(including the notice of the EGM and the
related form of proxy) to the Shareholders On or before Thursday, 14 March

Latest date and time for lodging transfer
documents in order to qualify for attending
and voting at the EGM 4:00 p.m. on Thursday, 28 March

Register of members of the Company
closed for determining entitlements to
attend and vote at the EGM Friday, 29 March to Wednesday, 3 April
(both days inclusive)

Latest time for the lodging of form of
proxy for the EGM 10:30 a.m. on Monday, 1 April

Expected date and time of the EGM 10:30 a.m. on Wednesday, 3 April

Announcement of voting results of the EGM Wednesday, 3 April

The following events are conditional upon the fulfilment of the conditions for the implementation of the Share Subdivision as set out in the section headed “Conditions of the Share Subdivision” above.

The effective date for the Share Subdivision Thursday, 4 April

Original counter for trading in board lots of 5,000
Shares of par value HK\$0.01 each temporarily
closes 9:00 a.m. on Thursday, 4 April

Temporary counter for trading in board lots of
20,000 Subdivided Shares of par value HK\$0.0025
each (in form of existing share certificates) opens 9:00 a.m. on Thursday, 4 April

First day of free exchange of existing share certificates for the new share certificates for the Subdivided Shares commences Thursday, 4 April

Original counter for trading in board lots of 5,000 Subdivided Shares of par value HK\$0.0025 each (in the form of new share certificates for Subdivided Shares) re-opens 9:00 a.m. on Tuesday, 23 April

Parallel trading in Subdivided Shares of par value HK\$0.0025 each (in the form of new share certificates for Subdivided Shares) and Shares (in form of existing share certificates for Shares) commences 9:00 a.m. on Tuesday, 23 April

Temporary counter for trading in Subdivided Shares in board lots of 20,000 Subdivided Shares (in the form of existing share certificates for Shares) closes .. 4:00 p.m. on Wednesday, 15 May

Parallel trading in Subdivided Shares (in the form of new share certificates for Subdivided Shares) and Shares (in form of existing share certificates) ends 4:00 p.m. on Wednesday, 15 May

Free exchange of existing share certificates for new certificates ends Friday, 17 May

Note: all times and dates in this announcement refer to Hong Kong local times and dates.

Dates or deadlines specified in this announcement are indicative only and may be varied by the Company. Any consequential changes to the expected timetable will be published or notified to the Shareholders as and when appropriate.

GENERAL

The EGM will be convened for the Shareholders to consider and, if thought fit, approve the proposed Share Subdivision and the proposed amendments to the Memorandum and Articles of Association. The Circular together with the notice of the EGM will be despatched to the Shareholders on or before Thursday, 14 March 2019.

As at the date of this announcement, the Directors confirm that there is no agreement, arrangement, understanding, intention, negotiation (concluded or otherwise) on any potential fund-raising activities in the next twelve months, subject to potential business expansion and/or potential mergers and acquisitions that may require fund-raising activities. The Directors further confirm that there is no intention to carry out other corporate action in the next twelve months which may have an effect of undermine or negate the intended purpose of the Share Subdivision.

DEFINITIONS

“Board”	the board of Directors
“Business Day”	a day (other than a Saturday, Sunday or public holiday) on which licensed banks are generally open for business in Hong Kong throughout their normal business hours
“Circular”	a circular containing, amongst others, further details of the proposed Share Subdivision and the proposed amendments to the Memorandum and Articles of Association
“Company”	Zheng Li Holdings Limited, an exempted company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the GEM of the Stock Exchange
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened and held for the Shareholders to consider and, if thought fit, approve the Share Subdivision and the amendments to the Memorandum and Articles of Association
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the GEM of the Stock Exchange
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

“Memorandum and Articles of Association”	the memorandum of association and articles of association of the Company, as amended, supplemented or restated from time to time
“Share(s)”	the ordinary share(s) in the issued and unissued share capital of the Company, the par value of which being HK\$0.01 each prior to the Share Subdivision becoming effective
“Shareholder(s)”	holders of the Share(s) and/or the Subdivided Share(s) (as the case may be)
“Share Option Scheme”	the share option scheme adopted by the Company on 21 October 2016
“Share Subdivision”	the proposed subdivision of each existing issued and unissued Shares of par value HK\$0.01 each into four (4) Subdivided Shares of par value HK\$0.0025 each
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subdivided Share(s)”	ordinary share(s) of par value of HK\$0.0025 each in the share capital of the Company upon completion of the Share Subdivision
“%”	per cent

By order of the Board of
Zheng Li Holdings Limited
YUAN Guoshun
Co-Chairman and Executive Director

Hong Kong, 21 February 2019

As at the date of this announcement, the executive Directors are Mr. CHUA Boon Hou, Mr. YAN Jianqiang and Mr. YUAN Guoshun; 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 this announcement or 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.