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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 is expected to record a significant increase in loss for the year ended 31 December 2018 as compared to a loss of approximately S\$2.0 million for the year ended 31 December 2017, notwithstanding that the Group recorded a growth in revenue for the same period. This was mainly attributable to the combined effects of: (i) an increase in employee-related expenses including salary increments and bonuses for existing employees during 2018 and the increase in headcount for the expansion of our business at the Sin Ming Autocity service centre; (ii) an increase in depreciation of property, plant and equipment due to a full year depreciation for the assets acquired for the Sin Ming Autocity service centre expansion around September 2017; and (iii) an increase in our rental expense due to commencement of operation at Sin Ming Autocity service centre and the costs of setting up the new PRC subsidiaries.

As the Company is in the process of finalising its annual results of the Group for the year ended 31 December 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 year ended 31 December 2018 which have not been confirmed or finalized by the Company's auditor and maybe subject to further adjustments. Further details of the Group's financial results and performances will be disclosed in the 2018 annual result announcement of the Company which is expected to be announced before the end of March 2019.

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
YUAN Guoshun
Co-Chairman and Executive Director

Hong Kong, 25 March 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 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.