



8 June 2017

**High Concentration of Shareholding
in
Zheng Li Holdings Limited (Stock Code: 8283)**

This announcement is made by the Securities and Futures Commission (“SFC”) in respect of the concentration of the shareholding of Zheng Li Holdings Limited (“the Company”) in a limited number of shareholders as at 24 May 2017.

In view of the high concentration of shareholding in a small number of shareholders, shareholders and prospective investors should be aware that the price of the shares of the Company (“Shares”) could fluctuate substantially even with a small number of Shares traded, and should exercise extreme caution when dealing in the Shares.

The SFC has recently completed an enquiry into the shareholding of the Company. Our findings suggested that as at 24 May 2017, a group of 12 shareholders held an aggregate of 102,660,000 Shares, representing 20.53% of the issued Shares. Such shareholding, together with an aggregate of 375,000,000 Shares (representing 75.00% of the issued Shares) held by two substantial shareholders of the Company, represented 95.53% of the issued Shares as at 24 May 2017. Therefore, only 22,340,000 Shares (representing 4.47% of the issued Shares) were held by other shareholders.

As at 24 May 2017, the shareholding structure of the Company was as follows:

| | Number of Shares held (Shares) | % of total number of issued Shares (%) |
|---|---|---|
| Mr. Kelvin Lim (<i>Note 1</i>) | 281,250,000 | 56.25 |
| Valiant World Enterprises Limited (<i>Note 2</i>) | 93,750,000 | 18.75 |
| A group of 12 shareholders | 102,660,000 | 20.53 |
| Other shareholders | 22,340,000 | 4.47 |
| Total | 500,000,000 | 100.00 |

Note 1: Mr. Kelvin Lim is the Chairman, Chief Executive Officer and Executive Director of the Company.

Note 2: The entire issued share capital of Valiant World Enterprises Limited is legally and beneficially owned by Mr. Zhou Yunchuan and Mdm. Ng Geok Luan as to 55% and 45%, respectively.



The Company was listed on the Growth Enterprise Market of the Stock Exchange of Hong Kong Limited on 8 November 2016 by way of placing of 125,000,000 Shares, equivalent to 25% of the issued Shares, at HK\$0.4 per Share. The Shares closed at HK\$4.76 on the first day of listing, which was 10.9 times higher than the placing price.

The price of the Shares started to increase substantially since 19 January 2017. On 15 February 2017, the Shares closed at HK\$10.1, representing an increase of 102% from the closing price of HK\$5.0 on 18 January 2017. Since then, the Shares were traded between HK\$9.35 and HK\$10.0 during 16 February 2017 to 20 March 2017, and then eased quickly to close at HK\$5.0 on 13 April 2017.

During this period, inter alia, the Company announced on 27 March 2017 its annual results for the year ended 31 December 2016, which reported a loss of S\$571,000 as compared with a profit of S\$1,716,000 for the year ended 31 December 2015.

After reaching a low at HK\$5.0 on 13 April 2017, the price of the Shares started to increase continually. On 24 May 2017, the Shares closed at HK\$10.2, representing an increase of 104% from the closing price of HK\$5.0 on 13 April 2017.

As at 7 June 2017, the Shares closed at HK\$10.52, which was 25.3 times higher than the initial placing price of HK\$0.4.

In view of the high concentration of shareholding in a small number of shareholders, shareholders and prospective investors should be aware that the price of the Shares could fluctuate substantially even with a small number of shares traded, and should exercise extreme caution when dealing in the Shares.

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