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ZIONCOM HOLDINGS LIMITED

百家淘客股份有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8287)

UNAUDITED ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2020

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

*This announcement, for which the directors (the “**Directors**”) of Zioncom Holdings Limited (the “**Company**”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (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.*

UNAUDITED CONSOLIDATED RESULTS

The board (the “**Board**”) of Directors of the Company presents the unaudited consolidated results of the Company and its subsidiaries (collectively the “**Group**”) for the year ended 31 December 2020 based on the management account, together with the comparative audited figures for the year ended 31 December 2019.

UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2020

	Notes	2020 <i>HK\$'000</i> (Unaudited)	2019 <i>HK\$'000</i> (Audited)
Revenue	5	607,708	573,137
Cost of sales		(515,218)	(484,082)
Gross profit		92,490	89,055
Other income	6	4,001	9,330
Changes in fair value of financial assets			
at fair value through profit or loss		226	615
Realised fair value loss of financial assets			
at fair value through profit or loss		(143)	(679)
Net allowance for impairment losses in respect of			
trade receivables, deposits and other receivables		(11,157)	(8,940)
Selling and distribution expenses		(22,887)	(21,558)
Administrative expenses		(35,711)	(55,191)
Research and development expenses		(27,904)	(32,763)
Loss from operations		(1,085)	(20,131)
Finance costs	7	(3,530)	(3,862)
Loss before taxation	8	(4,615)	(23,993)
Taxation	9	(1,729)	(2,104)
Loss for the year		(6,344)	(26,097)
Other comprehensive income for the year, net of tax			
<i>Items that will not be reclassified to profit or loss:</i>			
Surplus on revaluation of properties		3,062	2,908
Deferred tax liabilities arising from revaluation of			
properties		(741)	(353)
		2,321	2,555

	<i>Notes</i>	2020 HK\$'000 (Unaudited)	2019 HK\$'000 (Audited)
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange difference on translating of foreign operation		<u>4,525</u>	<u>(6,680)</u>
Other comprehensive income/(loss) for the year, net of tax		<u>6,846</u>	<u>(4,125)</u>
Total comprehensive income/(loss) for the year, net of tax		<u>502</u>	<u>(30,222)</u>
Loss for the year attributable to:			
Owners of the Company		(8,743)	(26,381)
Non-controlling interests		<u>2,399</u>	<u>284</u>
		<u>(6,344)</u>	<u>(26,097)</u>
Total comprehensive income/(loss) attributable to:			
Owners of the Company		(2,145)	(30,445)
Non-controlling interests		<u>2,647</u>	<u>223</u>
		<u>502</u>	<u>(30,222)</u>
Loss per share attributable to the owners of the Company			
Basic and diluted (HK cents)	11	<u>(1.32)</u>	<u>(4.00)</u>

UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 December 2020

	Notes	2020 HK\$'000 (Unaudited)	2019 HK\$'000 (Audited)
Non-current assets			
Property, plant and equipment		136,526	132,317
Right-of-use assets		22,381	23,118
Financial assets at fair value through profit or loss		11,412	16,982
Prepayments		–	5,640
		<u>170,319</u>	<u>178,057</u>
Current assets			
Inventories		186,870	165,960
Trade and bills receivables	12	61,880	57,993
Prepayments, deposits and other receivables		42,961	35,667
Amounts due from directors		1,712	2,053
Tax recoverables		897	–
Pledged bank deposits		25,463	25,580
Cash and bank balances		9,452	25,925
		<u>329,235</u>	<u>313,178</u>
Current liabilities			
Trade and bills payables	13	186,148	173,045
Accruals, deposits received and other payables		22,239	15,775
Contract liabilities		18,216	39,565
Bank borrowings		83,457	71,614
Lease liabilities		11,211	8,156
Amount due to a shareholder		–	1,081
Tax payables		827	1,333
		<u>322,098</u>	<u>310,569</u>
Net current assets		<u>7,137</u>	<u>2,609</u>
Total assets less current liabilities		<u>177,456</u>	<u>180,666</u>
Non-current liabilities			
Lease liabilities		4,903	9,310
Deferred tax liabilities		4,614	3,919
		<u>9,517</u>	<u>13,229</u>
Net assets		<u>167,939</u>	<u>167,437</u>
Capital and reserves			
Share capital	14	6,600	6,600
Reserves		149,666	151,811
Total equity attributable to owners of the Company		<u>156,266</u>	<u>158,411</u>
Non-controlling interests		<u>11,673</u>	<u>9,026</u>
Total equity		<u>167,939</u>	<u>167,437</u>

UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2020

	Attributable to owners of the Company							Non-controlling interests	Total
	Share capital HK\$'000	Share premium HK\$'000 (Note a)	Other reserve HK\$'000 (Note b)	Surplus reserve HK\$'000 (Note c)	Exchange reserve HK\$'000 (Note d)	Revaluation surplus reserve HK\$'000 (Note e)	Retained earnings HK\$'000	Sub-total HK\$'000	HK\$'000
Audited:									
At 1 January 2019	6,600	58,924	31,992	2,959	238	21,345	59,239	181,297	181,297
Loss for the year	-	-	-	-	-	-	(26,381)	(26,381)	284
Other comprehensive loss for the year	-	-	-	-	(6,619)	2,555	-	(4,064)	(61)
Loss and total comprehensive loss for the year	-	-	-	-	(6,619)	2,555	(26,381)	(30,445)	223
Transfer to surplus reserve	-	-	-	1,366	-	-	(1,366)	-	-
Deemed disposal of interest in a subsidiary	-	-	7,559	-	-	-	-	7,559	8,803
At 31 December 2019	6,600	58,924	39,551	4,325	(6,381)	23,900	31,492	158,411	9,026
Unaudited:									
At 1 January 2020	6,600	58,924	39,551	4,325	(6,381)	23,900	31,492	158,411	9,026
(Loss)/profit for the year	-	-	-	-	-	-	(8,743)	(8,743)	2,399
Other comprehensive income for the year	-	-	-	-	4,277	2,321	-	6,598	248
(Loss)/profit and total comprehensive income for the year	-	-	-	-	4,277	2,321	(8,743)	(2,145)	2,647
Transfer to surplus reserve	-	-	-	1,548	-	-	(1,548)	-	-
At 31 December 2020	6,600	58,924	39,551	5,873	(2,104)	26,221	21,201	156,266	11,673

Notes:

- Share premium represented the excess of share issue over the par value.
 - Other reserve represented the difference between the Group's share of nominal values of the paid-up capital of the subsidiary acquired over the Group's cost of acquisition of the subsidiary under common control upon Reorganisation.
- On 20 March 2019, the Group deemed disposal 27.63% equity interests of Zioncom Vietnam, an indirect wholly owned subsidiary of the Company, by way of increasing the registered capital of Zioncom Vietnam from US\$5,500,000 to US\$7,600,000. The non-controlling interests of Zioncom Vietnam agreed to pay US\$2,100,000 for the increase capital of Zioncom Vietnam. The Group recognised an increase in other reserve of approximately HK\$7,559,000.
- Subsidiaries of the Company established in the PRC shall appropriate 10% of its annual statutory net profit (after offsetting any prior years' losses) to the statutory reserve fund account in accordance with the PRC Company Law. When the balance of such reserve fund reaches 50% of the entity's share capital, any further appropriation is optional. The statutory reserve fund can be utilised to offset prior year's losses or to increase capital after proper approval.
 - Exchange reserve comprises all foreign exchange differences arising from the translation of the financial statements of operations outside Hong Kong.
 - Revaluation surplus reserve represents the revaluation gains or losses arising on the Land and Building situated in the PRC, for such reclassifications, the cumulative increase in fair value at the date of reclassification in excess of any previous accumulative depreciation and impairment losses is included in the property revaluation reserve, and will be transferred to retained earnings upon the retirement or disposal of the relevant property.

NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2020

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands under the Companies Law as an exempted company with limited liability on 29 January 2016. The registered office of the Company is located at P.O. Box 1350, Clifton House, 75 Fort Street, Grand Cayman, KYI-1108, Cayman Islands and the principal place of business of the Company is located in Office A, 9/F., Kings Wing Plaza 2, No. 1 On Kwan Street, Shatin, New Territories, Hong Kong.

The Company's immediate and ultimate holding companies are Lincats (BVI) Limited, a company incorporated in the British Virgin Islands ("**BVI**"), and Absolute Skill Holdings Limited, an investment holding company incorporated in Samoa with limited liability. Lincats (BVI) Limited is controlled by Mr. Kim Byung Kwon, an executive director of the Company. Absolute Skill Holdings Limited ("**Absolute Skill**") is wholly-owned by Ms. Sui Xiaohu, who is also a director of Absolute Skill.

The Company is an investment holding company and its subsidiaries are principally engaged in the manufacturing and sales of networking products and non-networking products.

The consolidated financial statements are presented in Hong Kong dollars ("**HK\$**"). The functional currency of the Company is HK\$ and its principal subsidiaries are HK\$ and U.S. dollars ("**US\$**") and all values are rounded to the nearest thousands (HK\$'000), unless otherwise stated.

2. SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**"), HKASs, and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"), and accounting principles generally accepted in Hong Kong. For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the "**GEM Listing Rules**") and by the Hong Kong Companies Ordinance.

Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis, except for certain properties and financial instruments which are measured at revalued amounts or fair values at the end of each reporting period, as explained in the accounting policies set out below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of HKFRS 2 Share-based Payment, leasing transactions that are accounted for in accordance with HKFRS 16, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in HKAS 2 Inventories or value in use in HKAS 36 Impairment of Assets.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the assets in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

3. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

Amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the Amendments to References to the Conceptual Framework in HKFRS Standards and the following amendments to HKFRSs issued by the HKICPA for the first time, which are mandatorily effective for the annual period beginning on or after 1 January 2020 for the preparation of the consolidated financial statements:

Amendments to HKAS 1 and HKAS 8	Definition of Material
Amendments to HKFRS 3	Definition of a Business
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	Interest Rate Benchmark Reform

In addition, the Group has early applied the Amendment to HKFRS 16 Covid-19-Related Rent Concessions.

The application of the Amendments to References to the Conceptual Framework in HKFRS Standards and the amendments to HKFRSs in the current year had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

New and amendments to HKFRSs issued but not yet effective

The Group has not early applied the following new and amendments to HKFRSs that have been issued but are not yet effective:

HKFRS 17	Insurance Contracts and the related Amendments ¹
Amendments to HKFRS 3	Reference to the Conceptual Framework ²
Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16	Interest Rate Benchmark Reform – Phase 2 ⁴
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) ¹
Amendments to HKAS 16	Property, Plant and Equipment – Proceeds before Intended Use ²
Amendments to HKAS 37	Onerous Contracts – Cost of Fulfilling a Contract ²
Amendments to HKFRSs	Annual Improvements to HKFRSs 2018-2020 ²

¹ Effective for annual periods beginning on or after 1 January 2023.

² Effective for annual periods beginning on or after 1 January 2022.

³ Effective for annual periods beginning on or after a date to be determined.

⁴ Effective for annual periods beginning on or after 1 January 2021.

The directors of the Company anticipate that the application of all other new and amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

4. SEGMENT INFORMATION

During the years ended 31 December 2020 and 2019, the Group operates in one operating segment which is the manufacturing and sales of electronic networking products. A single management team reports to the Directors of the Group (being the chief operating decision-maker) who comprehensively manages the entire business. Accordingly, the Group does not present separately segment information.

Geographical information

The Group's revenue from external customers based on the locations of the customers is detailed as below:

	2020 <i>HK\$'000</i> (Unaudited)	2019 <i>HK\$'000</i> (Audited)
Korea	412,736	360,758
The People's Republic of China (the "PRC")	18,055	16,039
Vietnam	36,700	36,619
Other Asia (excluding Korea, the PRC and Vietnam)	102,513	103,410
Europe	6,718	43,871
South America	25,716	7,370
Africa	3,083	2,313
North America	2,187	2,757
	607,708	573,137

The following is an analysis of the carrying amount of non-current assets, excluding financial assets at fair value through profit or loss, analysed by the geographical areas in which the assets are located:

	2020 <i>HK\$'000</i> (Unaudited)	2019 <i>HK\$'000</i> (Audited)
Hong Kong	719	6,819
Mainland China	97,505	97,989
Vietnam	59,210	55,542
Others	1,473	725
	<u>158,907</u>	<u>161,075</u>

Information about major customers

Revenues from customers contributing over 10% of the total revenue of the Group during the reporting period are as follows:

	2020 <i>HK\$'000</i> (Unaudited)	2019 <i>HK\$'000</i> (Audited)
Customer A (<i>note</i>)	<u>370,100</u>	<u>308,519</u>

Note:

Revenue from manufacturing and trading of networking products including routers, switches and LAN cards.

5. REVENUE

Revenue represents the aggregate of the amounts received and receivable from third parties, income from provision of sales of networking products and non-networking products and processing services income. Revenue recognised during the years are as following:

(a) Disaggregation of revenue from contracts with customers

The Group revenue is disaggregated by the type of goods or services provided to customers, the geographical market, and the timing of goods and services transferred.

Type of goods or service	2020 <i>HK\$'000</i> (Unaudited)	2019 <i>HK\$'000</i> (Audited)
Goods transferred at a point in time		
Sales of router products	475,550	460,876
Sales of switch products	61,687	50,813
Sales of other networking products	46,219	21,936
Sales of non-networking products	24,252	39,512
	<u>607,708</u>	<u>573,137</u>
Total revenue from contracts with customers	<u>607,708</u>	<u>573,137</u>

The Group operates in one operating segment for the manufacturing and sales of electronic networking products. Set out below is the revenue from contracts with customers with the amounts disclosed in the segment information.

	2020 HK\$'000 (Unaudited)	2019 <i>HK\$'000</i> (Audited)
Geographical markets		
Korea	412,736	360,758
PRC	18,055	16,039
Vietnam	36,700	36,619
Other Asia (excluding Korea, the PRC and Vietnam)	102,513	103,410
Europe	6,718	43,871
South America	25,716	7,370
Africa	3,083	2,313
North America	2,187	2,757
	<hr/>	<hr/>
Total revenue from contracts with customers	607,708	573,137
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(b) Performance obligations for contracts with customers

Details of performance obligations for contracts with customers for the years ended 31 December 2020 and 2019 are set out in the consolidated financial statements.

(c) Transaction price allocated to the remaining performance obligation for contracts with customers

All revenue from sales of networking products and non-networking products and processing services income are for the periods of one year or less. As permitted under HKFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

6. OTHER INCOME

	2020 HK\$'000 (Unaudited)	2019 <i>HK\$'000</i> (Audited)
Government grant (note)	2,334	6,536
Bank interest income	292	340
Investment income	148	283
Gain on disposal of property, plant and equipment	–	202
Sundry income	1,227	1,969
	<hr/>	<hr/>
	4,001	9,330
	<hr/> <hr/>	<hr/> <hr/>

Note:

During the year ended 31 December 2020, the Group recognised government grant of approximately HK\$68,000 (2019: Nil) in respect of COVID-19-related subsidies which is related to Employment Support Scheme provided by the Hong Kong government. Besides, the remaining represent various government grants have been received mainly from Ministry of Science and Technology, Ministry of Finance and State Administration of Taxation for the Group's business conducted in the PRC. There are no unfulfilled conditions or contingencies related to these grants.

7. FINANCE COSTS

	2020 <i>HK\$'000</i> (Unaudited)	2019 <i>HK\$'000</i> (Audited)
Interest expenses on bank borrowings wholly repayable within five years	2,534	2,534
Interest expenses on lease liabilities	996	1,328
	<u>3,530</u>	<u>3,862</u>

8. LOSS BEFORE TAXATION

	2020 <i>HK\$'000</i> (Unaudited)	2019 <i>HK\$'000</i> (Audited)
Loss for the year has been arrived at after charging/(crediting):		
Directors' emoluments	6,430	6,464
Other staff costs:		
Salaries and other benefits	79,047	81,032
Bonuses	1,108	2,030
Retirement scheme contributions	5,562	9,325
	<u>85,717</u>	<u>92,387</u>
Auditors' remuneration		
– audit services	1,294	1,296
Written off of trade receivables	–	300
Depreciation of right-of-use assets	8,404	7,406
Depreciation of property, plant and equipment		
– selling and distribution expenses	283	153
– administrative expenses	5,224	4,803
– cost of sales	7,059	6,842
– research and development expenses	2,800	2,510
	<u>15,366</u>	<u>14,308</u>
Cost of inventories recognised as an expenses	411,420	390,218
Changes in fair value of financial assets		
at fair value through profit or loss	(226)	(615)
Realised fair value loss of financial assets		
at fair value through profit or loss	143	679
Loss/(gain) on disposal of property, plant and equipment	50	(202)
Expenses relating to short-term leases	322	208
Net allowances for expected credit losses on trade receivables, deposits and other receivables		
– Allowance for expected credit losses on trade receivables	21,835	9,325
– Allowance for expected credit losses on deposits and other receivables	1	195
– Reversal of allowance for expected credit losses on trade receivables	(10,494)	(529)
– Reversal of allowance for expected credit losses on deposits and other receivables	(185)	(51)
	<u>11,157</u>	<u>8,940</u>

9. TAXATION

	2020 <i>HK\$'000</i> (Unaudited)	2019 <i>HK\$'000</i> (Audited)
Current taxation:		
Provision for the year		
– Hong Kong Profits tax	–	–
– Other than Hong Kong	1,775	2,153
Over-provision in prior years	–	(119)
	<u>1,775</u>	<u>2,034</u>
Deferred taxation:		
(Credit)/charge for the year	(46)	70
	<u>1,729</u>	<u>2,104</u>

On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 (the “**Bill**”) which introduces the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazetted on the following day.

Under the two-tiered profits tax rates regime, the first HK\$2 million of assessable profits of qualifying corporations will be taxed at 8.25%, and assessable profits above HK\$2 million will be taxed at 16.5%. The assessable profits of corporations not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%. The two-tiered profits tax rates regime is applicable to the Group for the years ended 31 December 2020 and 2019.

No provision of Hong Kong profits tax has been made as the Group had no assessable profits for the years ended 31 December 2020 and 2019.

In 2015, Zioncom (SZ) was a High and New Technology Enterprise defined by Shenzhen Finance Bureau, Administrator of Local Taxation of Shenzhen Municipality and Shenzhen Municipal office of the State Administration of Taxation (the “**Authority**”) and therefore was entitled to 15% preferential tax rate from PRC enterprise income tax for three years starting from year ended 31 December 2015 and renewed for three more years on 16 October 2018, according to the New PRC Enterprise Income Tax Law. The PRC enterprise income tax is calculated at 15% preferential tax rate on the estimated assessable profit for the years ended 31 December 2020 and 2019.

Taiwan Corporate Income Tax is calculated at 17% on the estimated assessable profit for the years ended 31 December 2020 and 2019.

Vietnam Corporate Income Tax is calculated at 20% of the estimated assessable profit for the years ended 31 December 2020 and 2019. No provision of Profits Tax for the subsidiary in Vietnam as there are sufficient unused tax losses to utilize the assessable profits for the year ended 31 December 2020 and 2019.

Malaysia Corporate Income Tax is calculated at 17% on the first MYD600,000 and 24% for remaining estimated assessable profit for the year ended 31 December 2020. No provision of Corporate Income Tax for the subsidiary in Malaysia has been recognised as no assessable profit for the years ended 31 December 2020 and 2019.

No provision for taxation has been recognised for companies incorporated in the Cayman Islands and the BVI as they are not subject to any tax during the years ended 31 December 2020 and 2019.

10. DIVIDENDS

The Directors of the Company do not recommend the payment of any dividend for the year ended 31 December 2020 (2019: Nil).

11. LOSS PER SHARE

	2020 <i>HK\$'000</i> (Unaudited)	2019 <i>HK\$'000</i> (Audited)
Loss for the year attributable to the owners of the Company	<u>(8,743)</u>	<u>(26,381)</u>
Weighted average number of ordinary shares in issue	<u>660,000,000</u>	<u>660,000,000</u>
Basic and diluted loss per share (HK cents)	<u>(1.32)</u>	<u>(4.00)</u>

The calculation of basic loss per share for the years ended 31 December 2020 and 2019 are calculated by dividing the loss for the year attributable to the owners of the Company over the weighted average number of ordinary shares in issue during the year.

Diluted loss per share were same as the basic loss per share as there were no potential dilutive ordinary shares in exist during the years ended 31 December 2020 and 2019.

12. TRADE AND BILLS RECEIVABLES

	2020 <i>HK\$'000</i> (Unaudited)	2019 <i>HK\$'000</i> (Audited)
Trade receivables	89,907	74,023
Less: Allowance for expected credit losses	<u>(28,059)</u>	<u>(16,062)</u>
	61,848	57,961
Bills receivables	<u>32</u>	<u>32</u>
	<u>61,880</u>	<u>57,993</u>

As at 31 December 2020 and 2019, trade receivables from contracts with customers amounted to approximately HK\$61,848,000 and approximately HK\$57,961,000 respectively.

The following is an ageing analysis of trade receivables (net of allowance for expected credit losses) presented based on the invoice date at the end of the reporting periods:

	2020 <i>HK\$'000</i> (Unaudited)	2019 <i>HK\$'000</i> (Audited)
Within 30 days	24,246	16,726
31 to 60 days	7,494	5,309
61 to 90 days	5,443	1,108
91 to 180 days	9,995	8,031
Over 180 days	14,670	26,787
	<u>61,848</u>	<u>57,961</u>

The Group generally allows an average credit period range from 30 to 120 days to its customers. Receivables that were neither past due nor impaired related to customers for whom there was no default. Receivables that were past due but not impaired related to customers that have good creditworthiness. Based on past experience, the management considered no impairment is necessary as there has not been a significant change in credit quality of these balances, which are still considered fully recoverable.

Allowance for expected credit loss of HK\$28,059,000 have been recognised for trade receivables as at 31 December 2020 (2019: HK\$16,062,000).

In determining the recoverability of trade receivables, the Group considers any change in the credit quality of the customers from the date that credit was initially granted up to the end of each reporting period. The management also considers the forward-looking information and any change in the expected recovery of the trade receivables.

Details of impairment assessment of trade receivables for the years ended 31 December 2020 and 2019 are set out in the consolidated financial statements.

13. TRADE AND BILLS PAYABLES

	2020 <i>HK\$'000</i> (Unaudited)	2019 <i>HK\$'000</i> (Audited)
Trade payables	138,621	110,523
Bills payables	47,527	62,522
	<u>186,148</u>	<u>173,045</u>

The average credit period from suppliers is up to 30 to 120 days. The following is an ageing analysis of trade payables presented based on the invoice date at the end of the reporting period:

	2020 <i>HK\$'000</i> (Unaudited)	2019 <i>HK\$'000</i> (Audited)
Within 30 days	67,791	44,946
31 to 60 days	30,744	24,650
61 to 90 days	17,698	13,740
91 to 180 days	21,117	24,783
Over 180 days	1,271	2,404
	<u>138,621</u>	<u>110,523</u>

All bills payable at the end of the reporting period are not yet due.

14. SHARE CAPITAL

	Number of Shares	Amount <i>HK\$</i>
Authorised:		
Ordinary share of HK\$0.01 each as at 1 January 2019, 31 December 2019, 1 January 2020 and 31 December 2020	<u>50,000,000,000</u>	<u>500,000,000</u>
Issued and fully paid:		
As at 1 January 2019, 31 December 2019, 1 January 2020 and 31 December 2020	<u>660,000,000</u>	<u>6,600,000</u>

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND OUTLOOK

Zioncom Holdings Limited (the “**Company**”, together with its subsidiaries collectively referred to as the “**Group**”) is principally engaged in manufacturing and sales of networking products, specialising in the design and development of wireless networking products which are primarily targeted for home use and small scale commercial applications. The Group also manufactures and sells wired and wireless networking products such as Ethernet switches, LAN cards, Wi-Fi modules and Access Points as well as non-networking products, such as power banks and USB hubs. Its operations are mainly based in the PRC. Its main products are routers, which provide for wired and wireless transmission of data to devices while maintaining wired connection with modems.

The success of listing (the “**Listing**”) of the Company’s shares on GEM of The Stock Exchange of Hong Kong Limited on 18 January 2018 was an important milestone for the Group, improving its capital strength and increasing the Group’s resources for market penetration, production capacity and research and development.

The Group recorded an unaudited net loss of approximately HK\$6.3 million attributable to equity holders of the Company for the year ended 31 December 2020.

The Group sold its branded products mainly on a wholesale basis through its distributors covering many countries and regions including Korea, the PRC, Vietnam, Hong Kong, Taiwan and Malaysia, etc. In addition, the Group has subsidiaries in Taiwan and Vietnam with strong sales team working closely with its distributors. The revenue contributed from the Group’s Taiwan and Vietnam operations were approximately HK\$34.5 million and HK\$44.5 million respectively for the year ended 31 December 2020, which in aggregate contributed approximately 13.6% of the Group’s revenue. The Group is looking forward to the growth in the Asia-Pacific market including Vietnam and Taiwan in the coming years.

Including the revenue from the Group’s largest customer, which represented approximately 60.9% of the Group’s total revenue for the year ended 31 December 2020, approximately 67.9% of the revenue was generated from the Group’s largest market, Korea, for the year ended 31 December 2020. Revenue generated from Korea increased by approximately 14.4%. Any change in economic conditions of the Group’s export countries, such as interest rates, currency exchange rates, inflation, deflation, political uncertainty, taxation, stock market performance and general consumer confidence, may affect the volume of purchase from the Group’s customers as well as the Group’s business operations and financial performance.

OUTLOOK

The Group’s business objective is to strengthen the Group’s position as a networking products manufacturer specialising in the design and development of wireless networking products by enhancing recognition of the Group’s own brand and increasing the Group’s profitability. In support of the Group’s business objective, the Group will continue to implement the business strategies of increasing the Group’s growth in the emerging markets in Asia and other markets with good potential, increasing the Group’s production capacity and broadening its product offerings, enhancing its overall competitiveness and market share.

In 2021, the Internet of Things (IoT) will evolve into Intelligence of Things, with innovations in tools such as deep learning and computer vision bringing about a total upgrade for IoT software and hardware application. Taking into account industry dynamic, economic stimulus and remote access demands, IoT is expected to see large scale adoption in smart manufacturing and smart healthcare.

The current business environment remains overshadowed by the United States and PRC trade tensions with a possible trade truce and the recent COVID-19 pandemic in China and the rest of the world. The global COVID-19 pandemic constitutes an extraordinary event, a public health risk to all countries through international spread, and continue to require a coordinated international response. The speed of recovery and the extent of any long term impact remain uncertain but will depend on the duration and severity of the outbreak and associated containment measures. The Group is cautiously optimistic that the economic impact due to the COVID-19 pandemic will be mitigated as a result of anti-epidemic measures implemented by the various governments and the on-going vaccination schemes. Despite this, the Group will continue to pursue and maintain a conservative but proactive investment approach, focusing on product innovation, market share gain, geographical expansion and operational excellence, so as to bring better returns for the shareholders and ensure the Company stays competitive in the market.

FINANCIAL REVIEW

Revenue

For the year ended 31 December 2020, the Group recorded revenue of approximately HK\$607.8 million (2019: HK\$573.1 million), and achieved an increase of HK\$34.7 million or 6.0%. Such increase was contributed by increased sales in other networking products. Set out below is the revenue breakdown of the Group for the years ended 31 December 2020 and 2019:

	For the year ended 31 December			
	(Unaudited)		(Audited)	
	2020		2019	
	HK\$'000	%	HK\$'000	%
Type of goods or service				
Goods transferred at a point in time				
Sales of router products	475,550	78.2	460,876	80.4
Sales of switch products	61,687	10.2	50,813	8.9
Sales of other networking products	46,219	7.6	21,936	3.8
Sales of non-networking products	24,252	4.0	39,512	6.9
Total revenue from contracts with customers	607,708	100.0	573,137	100.0

The revenue from router products increased by approximately 3.2% for the year ended 31 December 2020 as comparing with that of the previous year. The increase was mainly due to the increase in sales orders from the Group's customers on 4G LTE routers during the year ended 31 December 2020. The revenue from sales in switch and other networking products increased by approximately 21.4% and 110.7% respectively. The Group will continue to put more resources to expand the emerging markets in Asia and other markets with good potential in order to enhance the Group's revenue base.

Cost of sales and gross profit

The Group's gross profit increase by approximately 3.8% from approximately HK\$89.1 million for the year ended 31 December 2019 to approximately HK\$92.5 million for the year ended 31 December 2020. The Group's cost of sales comprises costs of materials, direct labour, manufacturing overhead, subcontracting services fee and other overheads. The cost of sales increased by approximately 6.4% from approximately HK\$484.1 million for the year ended 31 December 2019 to approximately HK\$515.2 million for the year ended 31 December 2020.

The gross profit margin remained stable at approximately 15.2% for the year ended 31 December 2020 (2019: approximately 15.5%).

Other income

The other income of the Group decreased by HK\$5.3 million or approximately 57.1% to approximately HK\$4.0 million for the year ended 31 December 2020 from approximately HK\$9.3 million for the year ended 31 December 2019. It was mainly attributable to a decrease of HK\$4.2 million in government grant received in 2020.

Selling and distribution expenses

Selling and distribution expenses increased by approximately 6.0% to approximately HK\$22.9 million for the year ended 31 December 2020 from approximately HK\$21.6 million for the year ended 31 December 2019, which was in line with the increase in revenue.

Administrative expenses

The administrative expenses of the Group for the year ended 31 December 2020 amounted to approximately HK\$35.7 million; representing a decrease of approximately HK\$19.5 million as compared with approximately HK\$55.2 million for the year ended 31 December 2019. The decrease was mainly attributable to a decrease of HK\$6.7 million on other staff costs. In addition there was a saving of legal costs in 2020 compared with 2019.

Research and development expenses

Research and development expenses decreased by HK\$4.9 million or approximately 14.9% to approximately HK\$27.9 million for the year ended 31 December 2020 from approximately HK\$32.8 million for the year ended 31 December 2019.

Finance costs

Finance costs decreased by HK\$0.3 million of approximately 10.3% to approximately HK\$3.5 million for the year ended 31 December 2020 from approximately HK\$3.9 million for the year ended 31 December 2019. Such drop was mainly due to decrease of interest expenses on lease liabilities.

Loss for the year

As a result of the foregoing, the loss for the year ended 31 December 2020 amounted to approximately HK\$6.3 million, compared with the loss of approximately HK\$26.1 million for the year ended 31 December 2019. The decrease of loss for the year was aggregated from the decrease of expenses stated above.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

As at 31 December 2020, total borrowings of the Group amounted to approximately HK\$85.8 million (2019: approximately HK\$74.5 million) which represented the interest bearing bank loans at floating rates, interest bearing bank loans on fixed terms and finance leases of motor vehicle and machines. As at 31 December 2020, the cash and bank balances and pledged bank deposit of the Group amounted to approximately HK\$34.9 million (2019: approximately HK\$51.5 million).

As at 31 December 2020, debt to equity ratio of the Group was 38.5% (2019: 22.4%). Debt to equity ratio is calculated by dividing the net debt, which is defined to include bank borrowings and lease liabilities net of pledged bank deposits and cash and bank balances, by total equity at the end of the financial year. Current ratio as at 31 December 2020 was approximately 1.0 time (2019: approximately 1.0 time).

As at 31 December 2020, gearing ratio of the Group was 59.3% (2019: 45.2%). Gearing ratio is calculated based on total debt for the financial year divided by total equity as of the end of the financial year.

As at 31 December 2020, cash and bank balances of the Group amounted to approximately HK\$9.5 million (2019: approximately HK\$25.9 million).

As at 31 December 2020, the Group's net current assets amounted to approximately HK\$7.1 million (2019: approximately HK\$2.6 million).

CONTINGENT LIABILITIES

As at 31 December 2020, the Group did not have any significant contingent liabilities (2019: Nil).

CAPITAL COMMITMENTS

At the end of each reporting period, the Group had the following capital commitments:

	2020 <i>HK\$'000</i> (Unaudited)	2019 <i>HK\$'000</i> (Audited)
Authorised and contracted for capital contributions payable to an equity investment	<u>594</u>	<u>557</u>

PLEDGE OF ASSETS

As at 31 December 2020, pledged bank deposits of approximately HK\$25.5 million (2019: approximately HK\$25.6 million), property, plant and equipment with a carrying value of approximately HK\$97.4 million (2019: approximately HK\$92.7 million), right-of-use assets with a carrying value of approximately HK\$8.8 million (2019: Nil), financial assets at fair value through profit or loss with a carrying value of approximately HK\$10.8 million (2019: approximately HK\$16.4 million) of the Group were pledged to secure the Group's bank borrowings. Bank borrowings guaranteed by personal guarantee have been replaced by a corporate guarantee on the date of Listing.

EXCHANGE RATE EXPOSURE

The Group mainly operates in Hong Kong, the PRC and Vietnam, and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to United States dollars, Renminbi and Vietnamese Dong. Foreign exchange risk arises from commercial transactions, recognised assets and liabilities denominated in a currency that is not the functional currency of the Group and net investments in foreign operations.

As at 31 December 2020, the Group did not have a foreign currency hedging policy. However, the management will continue to closely monitor the Group's foreign exchange exposure and will consider hedging significant foreign currency risk should the need arise.

SIGNIFICANT INVESTMENTS HELD

During the year ended 31 December 2020, there were financial assets at fair value through profit or loss held by the Group.

Financial assets at fair value through profit or loss

As at 31 December 2020, we recorded financial assets of approximately HK\$11.4 million (2019: approximately HK\$17.0 million). The table below sets forth a breakdown of the Group's financial assets at fair value through profit or loss/other financial assets as at the dates indicated:

	As at 31 December	
	2020 <i>HK\$'000</i> (Unaudited)	2019 <i>HK\$'000</i> (Audited)
Key management personnel life insurance policies	10,794	10,568
Bonds	–	5,835
Club membership	618	579
	<hr/>	<hr/>
Total	<u>11,412</u>	<u>16,982</u>

The bonds classified as financial assets are stated at fair value. The fair values of the Group's investments in bonds are determined by reference to the quoted price from the financial institution. For the year ended 31 December 2020, the Group invested in HSBC Global Investment Funds – Global High Income Bond (the “**Bond**”) which was authorised by the Securities and Futures Commission. For details, please refer to previously issued annual reports. The Group disposed the Bond during the year.

The club membership represented the indefinite useful life golf club membership. The club membership, classified as financial assets at fair value through profit or loss, is stated at fair value.

The Group purchased certain life insurance policies (the “**Policies**”) for certain Directors in year 2010, year 2012 and year 2018. Under the Policies, the Company is the beneficiary and policy holder and the total insured sum is approximately US\$5.8 million (equivalent to approximately HK\$45.0 million).

The Group's financial assets at fair value through profit or loss decreased by approximately HK\$5.6 million to approximately HK\$11.4 million as at 31 December 2020 from approximately HK\$17.0 million as at 31 December 2019 was mainly due to disposal the bond of approximately HK\$5.7 million. The loss on disposal of financial assets at fair value through profit or loss was recognised in profit or loss during the year.

The Group has established a financial management policy, pursuant to which we would make investments when the management considers necessary to the Group's operational needs. The Group generally only purchases investment products incidental to requirements from banks when we obtain loans. For the previous years, the Group purchased investment products primarily with guaranteed investment return from the banks that we intended to borrow from in order to facilitate the process of granting loans to the Group.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

As at the date of this announcement, the Group did not have any other plans for material investments and capital assets except for those disclosed in the section headed "Future Plan and Use of Proceeds" in the prospectus of the Company dated 28 December 2017 (the "**Prospectus**") and the composite document dated 20 September 2019 in relation to the mandatory unconditioned cash offer to acquire all the issued shares of Company.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES

During the year ended 31 December 2020, the Group did not have any material acquisitions and disposals of subsidiaries and affiliated companies.

EMPLOYEES AND EMOLUMENT POLICIES

The Group had 881 employees (including Directors) as at 31 December 2020 (2019: 924 employees) in Hong Kong, the PRC, Taiwan, Malaysia and Vietnam. The Group places emphasis on work experience in the networking industry in hiring its research and development staff, designers, merchandising staff and quality control staff. In order to recruit, develop and retain talented employees, the Group offers competitive remuneration packages to its staff, including internal promotion opportunities and performance based bonus. The Group enters into standard employment contracts with its staff which contain provisions on intellectual property rights and confidentiality.

The Group also reviews the performance of the Group's staff periodically and consider the result of such review for staff's annual bonus, salary review and promotion appraisal. The Company has also adopted a share option scheme, details of which are set out in the section headed "Statutory and General Information – D. Share Option Scheme" in Appendix IV to the Prospectus.

The Group provides different trainings to each department from time to time to enhance their industry, technical and product knowledge, as well as their familiarity with industry quality standards and work safety standards.

The remuneration committee of the Company (the “Remuneration Committee”) reviews the terms of remuneration packages, bonuses and other compensation payable to the Directors and the senior management personnel of the Group from time to time. The remunerations of the Directors, senior management and employees of the Group are generally determined with reference to their duties, responsibilities and performance.

USE OF PROCEEDS

As of the date of this announcement, all of the net proceeds from the share offer after deducting underwriting commission and other expenses in relation thereto, amounting to approximately HK\$42.5 million, had been utilised. For more information, please refer to the Company’s announcements dated 29 March 2019 and 18 April 2019 and the Company’s annual report for the year ended 31 December 2018.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S LISTED SECURITIES

None of the Company or any of its subsidiaries purchased, sold or redeemed any of the Company’s listed securities during the year ended 31 December 2020.

CORPORATE GOVERNANCE PRACTICES

The corporate governance practices of the Group are based on the principles and the code provisions in the Corporate Governance Code (the “**Code**”) as set out in Appendix 15 to the GEM Listing Rules.

During the year ended 31 December 2020, the Company has complied with all the applicable code provisions of the Code, save and except the following:

Code Provision A.2.7 of the Code provides that the chairman of the Board (the “**Chairman**”) should at least annually hold meetings with the independent non-executive directors without the presence of other directors. During the year ended 31 December 2020, a formal meeting could not be arranged between the Chairman and all the independent non-executive Directors without the executive Directors present due to their tight schedules. Nevertheless the Chairman could be contacted by email or phone to discuss any potential concerns and/or questions that the independent non-executive Directors might have and would arrange to set up follow-up meetings, whenever necessary.

Code Provision C.1.2 of the Code provides that management should provide all members of the board with monthly updates giving a balanced and understandable assessment of the issuer’s performance, position and prospects in sufficient detail to enable the board as a whole and each director to discharge their duties under Rule 5.01 and Chapter 17 of the GEM Listing Rules. Although regular monthly updates to the members of the Board were not arranged, the management provides information and updates to the members of the Board as and when appropriate. The management ensures that all members of the Board properly receives adequate, complete and reliable information in a timely manner.

Code Provision C.2.5 of the Code provides that the issuer should have an internal audit function. Issuers without an internal audit function should review the need for one on an annual basis and should disclose the reasons for the absence of such a function in the Corporate Governance Report. The Board reviewed the need for setting up an internal audit function during the year ended 31 December considered that there was no immediate need after taking into account the Group's current circumstances, such as the size, nature and complexity of the Group's business. It was decided that the Board would be directly responsible for the internal control of the Group and for reviewing its effectiveness.

Code Provision E1.2 of the Code provides that the Chairman should attend the annual general meeting (the "AGM"). However, Mr. Kim Byung Kwon, being the Chairman, was unable to attend the AGM held on 26 June 2020 due to his other business activities and unexpected engagement. Mr. Kim invited Mr. Kim Jun Yeob, an executive Director to chair and answer questions from the Shareholders at the AGM.

Code Provision I(f) of the Code provides that disclosure be made in regards to details of non-compliance with Rules 5.05(1) and (2), and 5.05A of the GEM Listing Rules and an explanation of the remedial steps taken to address non-compliance. On 1 January 2020, Mr. Ko Ming Tung, Edward resigned as independent non-executive Director leaving only two independent non-executive Directors which did not meet the requirements pursuant to the above Rules. Mr. Lee Tsung Wah, Jonathan was appointed on 31 March 2020 after trading hours to fill the casual vacancy. Mr. Lee was subject to election by the shareholders at the first general meeting after his appointment and was re-elected on 26 June 2020. Please refer to the Company's announcements dated 1 January 2020, 31 March 2020 and, 26 June 2020 and circular dated 20 May 2020 for more information.

COMPLIANCE WITH THE REQUIRED STANDARD OF DEALINGS IN SECURITIES TRANSACTIONS BY DIRECTORS

The Group has adopted the required standard of dealing set out in Rules 5.46 to 5.67 of the GEM Listing Rules (the "**Standard of Dealings**"), as its own code of conduct regarding Directors' securities transactions. Having made specific enquiries of all Directors, each of the Directors has confirmed that he has complied with the required Standard of Dealing for the year ended 31 December 2020 and up to the date of this announcement.

DIVIDENDS

The Board do not recommend the payment of any dividend for the year ended 31 December 2020 (2019: nil).

EVENTS AFTER THE REPORTING PERIOD

Up to the date of this announcement, there was no significant event relevant to the business or financial performance of the Group that came to the attention of the Directors after the year ended 31 December 2020.

SUPPLEMENTAL INFORMATION

Adoption of Chinese Name and Adoption of Chinese Stock Short Name

With effect from 23 December 2019, the Company adopted the Chinese name of “百家淘客股份有限公司” as the dual foreign name of the Company and with effect from 9:00 a.m. on 9 January 2020, the Company adopted the Chinese stock short name of “百家淘客”. The English stock short name of the Company for trading in the Shares and the stock code of the Company on the Stock Exchange will remain unchanged as “ZIONCOM” and “8287”, respectively.

Please refer to the announcements of the Company dated 23 October 2019, 25 October 2019, 14 November 2019 and 6 January 2020, and the circular of the Company dated 28 October 2019 for more information.

Memorandum of Understanding

On 31 December 2020 (after trading hours), Zioncom (Hong Kong) Technology Limited (“**Zioncom Hong Kong**”), an indirect wholly-owned subsidiary of the Company, entered into a non-legally binding memorandum of understanding (“**MOU**”) with an independent third party purchaser pursuant to which Zioncom Hong Kong proposed to sell approximately 22.5% equity interest in Công Ty TNHH Zioncom (Vietnam) (Zioncom (Vietnam) Co., Ltd.*) (“**Zioncom Vietnam**”). As at the date hereof, Zioncom Hong Kong owns 72.37% of Zioncom Vietnam. The MOU remains valid and effective until the execution of the Formal Agreement or terminated by the parties in writing.

Please refer to the announcements of the Company dated 31 December 2020 and 1 February 2021 for more information.

COVID-19 Coronavirus Outbreak in the Hong Kong office

At the start of March 2021, a staff member at the office of Zioncom Hong Kong was infected with COVID-19. The office of Zioncom Hong Kong was closed and its operations were suspended with all its staff quarantined for over a week in accordance with Sections 22 and 23 of the Prevention and Control of Disease Regulation (Cap. 599A of the Laws of Hong Kong) (the “**Quarantine**”), which has affected the audit work for the audited annual result of the Group for the year ended 31 December 2020.

* For identification purpose only

AUDIT COMMITTEE

The Company established the audit committee of the Company (the “**Audit Committee**”) with effect from 18 January 2018 with written terms of reference (as amended and adopted by the Company pursuant to the Board resolution passed on 31 December 2018) in compliance with the code provisions of the Code. The primary duties of the Audit Committee are, among others, to make recommendations to the Board on the appointment, re-appointment and removal of external auditors; review and supervise the Group’s financial reporting process and internal control system and to provide advice and comments to the Board.

The unaudited annual results announcement of the Group for the year ended 31 December 2020 have been reviewed by the Audit Committee in a meeting held on 31 March 2021. The auditing process for the audited annual results for the year ended 31 December 2020 has not been completed due to the Quarantine. The unaudited annual results contained herein have not been agreed with the Company’s auditors (the “**Auditors**”). An announcement relating to the audited annual results will be made when the auditing process has been completed in accordance with Hong Kong Standard on Auditing issued by Hong Kong Institute of Certified Public Accountants.

The Company will despatch the audited annual results and report as soon as practicable, which is currently expected to be on or before Wednesday, 14 April 2021. The Company shall keep the market informed of the expected publication date of its audited annual results and report along with other updates as appropriate.

By order of the Board
Zioncom Holdings Limited
Kim Byung Kwon
Chairman

Hong Kong, 31 March 2021

As at the date of this announcement, the executive directors of the Company are Mr. Kim Byung Kwon, Mr. Kim Jun Yeob, Mr. Koo Ja Chun, Mr. Xiao Jingen and Mr. Zhao Xiuming; and the independent non-executive directors are Mr. Kwong Chun Man, Mr. Shin Dongmin and Mr. Lee Tsung Wah, Jonathan.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited 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 GEM website at www.hkgem.com on the “Latest Listed Company Information” page for at least 7 days from the date of its posting and on the website of the Company at www.zioncom.net.