

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.



ZIONCOM HOLDINGS LIMITED

百家淘客股份有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8287)

AUDITED ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2021

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.*

MATERIAL DIFFERENCES BETWEEN THE UNAUDITED AND AUDITED ANNUAL RESULTS

Taking into account that the financial information contained in the unaudited annual results announcement for the year ended 31 December 2021 (the “**2021 Result Announcement**”) was unaudited as at the date of its publication and subsequent adjustments have been made to such information, the shareholders and potential investors of the Company are advised to pay attention to the material differences between the unaudited annual results and audited annual results (the “**Audited Annual Results**”) of the Company and its subsidiaries (the “**Group**”) for the year ended 31 December 2021. Set forth below are the principal details and reasons for the material differences:

	Audited Annual Results (HK\$'000)	Unaudited Annual Results (HK\$'000)	Differences (HK\$'000)	Notes
Consolidated Statement of Financial Position				
Trade and bills receivable	46,686	48,024	(1,338)	1
Capital and reserve				
Reserves	116,821	118,227	(1,406)	2
Non-controlling interests	16,412	16,344	68	2
Consolidated Statement of Profit or Loss				
Cost of sales	(558,198)	(560,181)	1,983	3
Net allowance for expected credit losses in respect of trade receivables, deposits and other receivables	(10,716)	(9,098)	(1,618)	4
Administrative expenses	(52,950)	(50,967)	(1,983)	3
Loss for the year	(42,594)	(40,976)	(1,618)	3, 4
Other comprehensive income for the year, net of tax	16,339	16,059	280	1, 4
Total comprehensive loss for the year, net of tax	(26,255)	(24,917)	(1,338)	1, 4

Notes:

- The change resulted from an increase of approximately HK\$1.34 million in allowance for expected audit losses in respect of trade receivables, deposits and other receivables after conclusion of valuation prepared by independent valuer.
- The change in loss for the year attributable to owners of the Company mainly resulted from some adjustments of the items set out herein.
- The change resulted from reclassification of approximately HK\$1.98 million exchange loss from cost of sales to administrative expenses.
- The change resulted from an increase of approximately HK\$1.62 million in allowance for expected audit losses in respect of trade receivables, deposits and other receivables after conclusion of valuation prepared by independent valuer.

EXTRACT FROM INDEPENDENT AUDITORS' REPORT

The following is an extract of the independent auditors' report on the Group's audited financial statements for the year ended 31 December 2021:

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2021, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Material uncertainty related to going concern

We draw attention to Note 3 to the consolidated financial statements, which indicates that the Group incurred a loss of approximately HK\$42,594,000 during the year ended 31 December 2021 and, as of that date, the Group's net current liabilities are approximately HK\$10,052,000. As stated in Note 3, these events or conditions, along with other matters as set forth in Note 3, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

DIVIDEND

The Board does not recommend the payment of any dividend for the year ended 31 December 2021 (2020: nil).

SUPPLEMENTAL INFORMATION

Disposal Agreement

On 12 August 2021 (after trading hours), Zioncom (Hong Kong) Technology Limited (the “**Vendor**”), an indirect wholly-owned subsidiary of the Company, entered into a disposal agreement (the “**Disposal Agreement**”) with Evergo Technology PTE. Limited (the “**Purchaser**”), an independent third party, pursuant to which the Vendor agreed to sell and the Purchaser agreed to purchase the shares of Công Ty Cổ Phần Zioncom (Vietnam) (Zioncom (Vietnam) JSC) (the “**Target Company**”), an indirect non-wholly owned subsidiary of the Company, representing approximately 21.37% of the equity interests in the Target Company, at the consideration of US\$2,000,000 (equivalent to approximately HK\$15,500,000).

Upon Completion, the Vendor will hold 51% of the equity interests in the Target Company.

According to the three supplemental agreements dated 29 October 2021, 31 December 2021 and 31 March 2022, the date for the fulfilment or waiver of the conditions precedent of the disposal under the Disposal Agreement was extended to 15 May 2022.

Please refer to the announcements of the Company dated 31 December 2020, 1 February 2021, 12 August 2021, 29 October 2021, 31 December 2021 and 31 March 2022 for more information.

Change of Directors

On 14 January 2022, Mr. Kim Byung Kwon resigned as executive Director and chairman of the Board. Mr. Kim Jun Yeob, an executive Director was appointed as chairman of the Board and Mr. Cheng Kwan Yu was appointed as executive Director following Mr. Kim Byung Kwon's resignation. In addition, Mr. Kwong Chun Man resigned as independent non-executive Director and Ms. Sin Pui Ying was appointed to fill the casual vacancy. Mr. Cheng Kwan Yu and Ms. Sin Pui Ying are subject to election by the shareholders at the first general meeting after their appointment. Please refer to the Company's announcement dated 14 January 2022 for more information.

Removal of Directors

On 31 March 2022, Mr. Zhao Xiuming and Ms. Cai Peiyao were removed as executive Director and independent non-executive Director, respectively, in accordance with article 105(h) of the Amended and Restated Memorandum and Articles of Association of the Company. Please refer to the announcements of the Company dated 31 March 2022 and 4 April 2022 for more information.

Requisition to convene an extraordinary general meeting ("EGM")

The Board received a letter dated 14 January 2022 from a person who is an alleged representative of Absolute Skill, the substantial shareholder of the Company, purporting to be a written requisition to the Company to convene an extraordinary general meeting. The Board also received another letter dated 15 March 2022 from Absolute Skill purporting to be a written requisition to the Company to convene an extraordinary general meeting (the "**March Letter**") to, amongst other ordinary resolutions, remove all the Directors of the Board.

In order to avoid any confusion among shareholders and disputes over the legitimacy of the extraordinary general meeting, the Company published a circular dated 12 April 2022 to convene an EGM with ordinary resolutions substantially the same as those in the March Letter.

Please refer to the announcements of the Company dated 23 March 2022, 4 April 2022, 12 April 2022, 13 April 2022, 14 April 2022 and 21 April 2022 and the circular of the Company dated 12 April 2022.

Petition and Summons

On 13 April 2022, the Company received a petition dated 12 April 2022 (the "**Petition**") filed by Absolute Skill Holdings Limited (the "**Petitioner**"), the controlling shareholder of the Company in the Court of First Instance of the High Court of Hong Kong, against the Company and each of its Directors. According to the Petition, the Petitioner claimed, *inter alia*, to remove all the Directors of the Board and to terminate the Rights Issue.

On 20 April 2022, the Company received a summons dated 19 April 2022 (the “**Summons**”) related to the Petition filed by Petitioner, in the Court of First Instance of the High Court of Hong Kong, against the Company and each of its Directors. According to the Summons, the Petitioner claim for, *inter alia*, that the Directors be restrained from (i) convening the Company’s EGM; (ii) preventing the convening of the Petitioner’s extraordinary general meeting; and (iii) proceeding with the Rights Issue.

The Summons application was dismissed on 22 April 2022 with costs to be borne by the Petitioner.

Please refer to the announcements of the Company dated 19 April 2022, 20 April 2022, 21 April 2022 and 22 April 2022 for more information.

AUDIT COMMITTEE

The Company established 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.

SCOPE OF WORK OF HLB HODGSON IMPEY CHENG LIMITED

The figures in respect of the Group’s consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income, and the related notes thereto for the year ended 31 December 2021 as set out in the 2021 Result Announcement have been agreed by the Group’s auditors, HLB Hodgson Impey Cheng Limited, to the amounts set out in the Group’s draft consolidated financial statements for the year. The work performed by HLB Hodgson Impey Cheng Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by HLB Hodgson Impey Cheng Limited on the 2021 Result Announcement and this announcement.

REVIEW OF AUDITED ANNUAL RESULTS

The Audit Committee currently consists of two members, namely Ms. Sin Pui Ying (Chairlady) (appointed on 14 January 2022) and Mr. Tsang Chung Yu (appointed on 24 September 2021), all being independent non-executive Directors. The Group’s audited annual results for the year ended 31 December 2021 had been reviewed by the Audit Committee on 28 April 2022 before submission to the Board for approval. The Audit Committee is of the view that the annual results complied with the applicable accounting standards, the requirements under the GEM Listing Rules and other applicable legal requirements, and that adequate disclosures had been made.

PUBLICATION OF ANNUAL REPORT

The annual report for the year ended 31 December 2021 is expected to publish on or before 3 May 2022.

By order of the Board
Zioncom Holdings Limited
Kim Jun Yeob
Chairman

Hong Kong, 28 April 2022

As at the date of this announcement, the executive Directors are Mr. Kim Jun Yeob, Mr. Koo Ja Chun, Mr. Xiao Jingen and Mr. Cheng Kwan Yu; and the independent non-executive Directors are Ms. Sin Pui Ying and Mr. Tsang Chung Yu.

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.