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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)

INSIDE INFORMATION AND CONTINUED SUSPENSION OF TRADING

This announcement is made by Zioncom Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 17.10 of the Rules (the “**GEM Listing Rules**”) Governing the Listing of Securities on GEM of the Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (chapter 571 of the Laws of Hong Kong).

References are made to the announcements of the Company dated 31 October 2022, 3 November 2022 and 8 November 2022 in relation to certain inside information of the Company (collectively, the “**Inside Information Announcements**”) and the announcement of the Company dated 15 November 2022 in relation to, among others, the suspension of the Purported Strategic Cooperation (together with the Inside Information Announcements, the “**Announcements**”), unless otherwise defined, capitalized terms used herein shall have the same meaning as those defined in the Announcements.

POSSIBLE DISSIPATION OF NEW SUBSIDIARY FUNDS

The Company announces that during the ongoing investigation against the Impugned Directors, it has come to the knowledge of the Board that Zioncom (BVI) Limited (“**Zioncom BVI**”), a wholly-owned subsidiary of the Company, has incorporated a new wholly-owned subsidiary (the “**New Subsidiary**”) on 22 April 2022. Based on the information currently available to the Board, it is noted that:

- (i) the New Subsidiary is a Hong Kong limited company incorporated under the name of “China Cloud Databases Group Co., Limited” (中國雲基集團有限公司);

- (ii) Zioncom BVI is the sole shareholder of the New Subsidiary, hence, upon the incorporation of the New Subsidiary, the New Subsidiary has been an indirect wholly-owned subsidiary of the Company;
- (iii) Mr. Cheng Kwan Yu (“**Mr. Cheng**”), being one of the Impugned Directors, and another individual named Mr. Chung Shing Yip (“**Mr. Chung**”), have been appointed as the directors of the New Subsidiary;
- (iv) the incorporation of the New Subsidiary was approved by way of sole director written resolution of Zioncom BVI and such written resolution was signed by Mr. Kim Jun Yeob (“**Mr. Kim**”), being one of the Impugned Directors, and the relevant incorporation documents were presented to the Companies Registry by Mr. Pang, being a member of the Ex-management;
- (v) the New Subsidiary maintained a bank account at Standard Chartered Bank (HK) Ltd (the “**New Subsidiary Bank Account**”), as at 30 September 2022, the New Subsidiary Bank Account had cash of approximately HK\$12.16 million and on 5 October 2022, an amount of approximately HK\$10.68 million was deposited into the New Subsidiary Bank Account making an aggregate of approximately HK\$23.0 million (the “**New Subsidiary Funds**”); and
- (vi) from 5 October 2022 to 28 October 2022, being the day on which the Decision was handed down by the High Court of Hong Kong, approximately HK\$22.8 million of the New Subsidiary Funds has been withdrawn (the “**Withdrawals**”).

In light of the above discoveries and given that the rights issue of the Company was completed by end of September 2022, the Board has reason to believe that a substantial amount of the New Subsidiary Funds, being assets of the Group, have been withdrawn and dissipated under the authorization of members of the Ex-management or other personnel, including but not limited to Mr. Cheng, Mr. Kim, Mr. Pang and Mr. Chung. The Board will also conduct further investigation on the following matters:-

- (i) the source of the New Subsidiary Funds, specifically whether it is related to the proceeds of the rights issue of the Company as disclosed in the announcement of the Company dated 29 September 2022;
- (ii) the particulars of the Withdrawals, including but not limited to the identity of the payees, the purpose of the Withdrawals, and the personnel authorizing the Withdrawals;

- (iii) in conjunction with the above, whether the Withdrawals involved any misappropriation of the Group's assets;
- (iv) all other matters in relation to the New Subsidiary, including but not limited to any arrangements or agreements entered into by the New Subsidiary not currently known to the Board;
- (v) the connection between the New Subsidiary, the Ex-management, and China Cloud in view of the close resemblance of the name of the New Subsidiary and China Cloud. The Board hereby reiterates and clarifies that to the best of its knowledge, information and belief, the Group has no other cooperation or connection with China Cloud save and except for the Purported Strategic Cooperation which is subject to further investigation, and that the Company has no plan to expand the Group's business into the alleged business focuses of China Cloud; and
- (v) the potential criminal and civil liabilities, and breaches of director fiduciary duty, and any other applicable laws and regulations by the Ex-management and management of the New Subsidiary in respect of the incorporation of the New Subsidiary and the Withdrawals.

Misappropriation of the Group's Properties

The Board hereby updates that despite the repeated attempts and requests, the Ex-management still fails to return the misappropriated documents, books and records, properties and assets of the Group (collectively, the "**Group's Properties**") to the Company. As at the date of this announcement, the Company has not regained control of the Subsidiaries including control over all bank accounts of the Group, and has not received any reply from the Ex-management.

Unauthorised control of the Group's bank accounts by the Ex-management

As disclosed in the announcement of the Company dated 31 October 2022, pursuant to the Decision of the High Court, the Impugned Directors were removed with effect from 29 April 2022. Despite the removal, the Impugned Directors who are also members of the Ex-management refused to resign, surrender or cease to be the bank signatories of the Company's bank accounts. Further, notwithstanding the Board's repeated demands and requests, the Ex-management still fails to cooperate with the Board to change the bank mandate on the authorised signatories and refuses to return the bank documents including monthly bank statements and cheque books.

Possible actions to be taken

The Company will report the latest updates in respect of the possible dissipation of the New Subsidiary Funds, the Misappropriation and unauthorized control of the Group's bank accounts to the relevant law enforcement authorities, including but not limited to the Hong Kong Police and the Independent Commission Against Corruption (ICAC). The Company has also instructed its legal advisers to institute legal proceedings against the Ex-management and other relevant personnel to retrieve the misappropriated Group's Properties and to claim for all consequential loss suffered by the Group.

Further announcement(s) will be made as and when appropriate in accordance with the GEM Listing Rules and other applicable codes and regulations.

CONTINUED SUSPENSION OF TRADING

At the request of the Company, trading in the shares of the Company on the Stock Exchange has been halted with effect from 9:00 a.m. on 7 November 2022. Trading in the shares of the Company will remain suspended until further notice.

By Order of the Board
Zioncom Holdings Limited
Tang Yuxiao
Executive Director

Hong Kong, 18 November 2022

As at the date of this announcement, the Board comprises Mr. Tang Yuxiao, Mr. Zhao Xiuming and Ms. Cai Peiyao, as executive Directors and Mr. Ng Thiam Chye (Alias Huang Tiancai), Mr. Wang Yow Hsiong and Mr. Lam Chiu Chuen as independent non-executive Directors.

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 herein or this announcement misleading.

This announcement will remain on the on the "Latest Listed Company Information" page of the Stock Exchange's website at www.hkexnews.hk for at least 7 days from the date of its publication.