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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)

BUSINESS UPDATE; AND CONTINUED SUSPENSION OF TRADING

This announcement is made by Zioncom Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) on a voluntary basis to provide shareholders and potential investors of the Company with the latest update of the Group.

References are made to the announcements of the Company dated 8 September 2022 in relation to the grant of the Options (the “**Grant of Share Options Announcement**”), and the announcements of the Company 31 October 2022, 3 November 2022, 8 November 2022 and 18 November 2022 in relation to certain inside information of the Company (collectively, the “**Inside Information Announcements**”), unless otherwise defined, capitalized terms used herein shall have the same meaning as those defined in the Grant of Share Options Announcement and the Inside Information Announcements.

INVESTIGATION ON THE GRANT OF SHARE OPTIONS

The Board announces that following the handing down of the Decision, the Company has been investigating and assessing the impact of the potential Breach of Duties by the Impugned Directors, including the grant of the Options.

As disclosed in the Grant of Share Options Announcement, the Options, when exercised represented 10% of the then total issued share capital of the Company, were purportedly granted to certain alleged eligible participants (the “**Alleged Grantees**”). It has since come to the knowledge of the Board that the Alleged Grantees comprised of ten individuals, and all

Options were exercised and shares of the Company (the “**Shares**”) allotted to the Alleged Grantees as approved by the Impugned Directors on 8 September 2022 in the following manner:

Name of Alleged Grantee	Number of Options granted	Number of Shares allotted
Chan Oi Yan Joyce	6,600,000	6,600,000
Chan Sze Chai Kenneth	6,600,000	6,600,000
Chan Wai Sze	6,600,000	6,600,000
Chow Ching Ho	6,600,000	6,600,000
Chung Shing Yip	6,600,000	6,600,000
Lee Hung Kai Giles	6,600,000	6,600,000
Leung Lok	6,600,000	6,600,000
Pui Li Ming	6,600,000	6,600,000
Wong King Lok Brian	6,600,000	6,600,000
Yeung Ching Lap Eric	6,600,000	6,600,000

During the Board’s investigation, it has also transpired that:

- (i) the occupation of each of the Alleged Grantees was stated as “investor” on the list of allottees provided by the Company’s Hong Kong share registrar;
- (ii) two of the Alleged Grantees shared the same address;
- (iii) there was no vesting period imposed on the exercise of the Options and disposal of Options Shares;
- (iv) all the Options were exercised by the respective Alleged Grantees on the same day (being the date of grant of 8 September 2022) at the exercise price of HK\$0.066 per Share, which is higher than the closing price of the Shares on that day;
- (v) unusually high trading volume of the Shares of over 73 million Shares, representing approximately 10% of the then total issued share capital of the Company, in the two consecutive trading days following the exercise of the Options were recorded; and
- (vi) the minutes of the meeting of the Impugned Directors approving the grant and exercise of the Options was signed by Mr. Cheng Kwan Yu as chairman of the meeting, and the attendance sheet attached thereto was only signed by Mr. Cheng Kwan Yu and Mr. Tsang Chung Yu, whilst the remainder of the Impugned Directors, namely Mr. Kim Jun Yeob, Mr. Koo Ja Chun, Mr. Xiao Jingen and Ms. Sin Pui Ying, were absent.

In light of the aforesaid discoveries and based on the limited information currently available to the Board as a result of the possible Misappropriation of the Company's documents and records by the Ex-management including the Impugned Directors, the Company has reasons to believe that:

- (i) the Alleged Grantees did not fall within the list of eligible participants of the Company's share option scheme. To the best of the Directors' knowledge, information and belief, the Alleged Grantees (except Chung Shing Yip whose name is noticed to be the same as that of a director of China Cloud Databases Group Co., Limited (中國雲基集團有限公司), a wholly-owned subsidiary of the Company incorporated in Hong Kong on 22 April 2022) were mere "investors" and were not employees, advisers, consultants, distributors, contractors, suppliers, agents, customers, partners, joint venture business partners, promoters or service providers of the Group;
- (ii) the Alleged Grantees were not genuine individual investors given (a) two of the Alleged Grantees with same address were apparently related; (b) all the Alleged Grantees together exercise their respective Options at the same time which was then out-of-money (taking into consideration the Options had an exercise period of 10 years) and (c) the unusually high trading volume on the two consecutive trading days following the date of exercise of the Options suggested that it was highly likely that the Alleged Grantees disposed of the Options with little or no profit at all; and
- (iii) the grant of the Options was not duly authorized and approved by the majority of the Impugned Directors.

Based on the above findings, the Board reasonably believes that the grant of the Options is not genuine and the Alleged Grantees exercised the Options and disposed of the corresponding Shares with ulterior motive.

The Company will continue to investigate on the matters surrounding the grant of Options and the other potential breaches of duties by the Impugned Directors, and will take all proper and legal means to recover the Company's properties and pursue against those parties who are held accountable for their misconduct. Further announcement(s) will be made as and when appropriate in accordance with the GEM Listing Rules.

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.