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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)**

### UPDATE AND CLARIFICATION ON LITIGATION

Reference is made to the announcement of the Company dated 22 April 2022 and 13 May 2022 (the “**Announcements**”), in relation to the Summons and 2nd Summons. Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the Announcements.

On 20 May 2022, the Court amended the Order dated 13 May 2022 (see highlighted changes below in bold).

The orders of the Court, until and up to 6 July 2022 or further order of the Court, were:

1. the Directors and the Company be restrained from inhibiting (whether by themselves or by their servants, agents, employees or otherwise howsoever) Mr. Ng Thiam Chye (alias Huang Tiancai) and Mr. Wang Yow Hsiong from acting or holding out as directors of the Company;
2. the Directors be restrained from (whether by themselves or by their servants, agents, employees or otherwise howsoever) exercising any power vested in them as a Director of the Company to take any action or to procure the Company or act on the Company’s behalf to remove or dispose of or deal with or diminish the value of any assets of the Company, other than:
  - (i) the completion of the sale of the Company’s subsidiary of approximately 21.37% equity interests in Công Ty Cổ Phần Zioncom (Vietnam) (Zioncom (Vietnam) JSC) for a consideration of US\$2 million (equivalent to approximately HK\$15,500,000) as set out in the Company’s announcements dated 31 December 2020, 1 February 2021, 12 August 2021, 29 October 2021, 31 December 2021 and 31 March 2021; and
  - (ii) sales of the Company’s (and/or its subsidiaries’) router products, switch products, other networking products and non-networking in the Company’s ordinary course of business which would be reflected as the Company’s revenue in its accounts; and

- (iii) payments of the Company's (and/or its subsidiaries') trade and bills payable when they become due with evidence to Absolute Skill's reasonable satisfaction that such payables were incurred in the Company's ordinary course of business; and
- (iv) repayment of the Company's (and/or its subsidiaries') bank borrowings which were incurred prior to 29 April 2022 when they become due with evidence of such bank borrowings,

provided that the Company shall not be restrained from the actions set out in **this paragraph 2** with the consent of the Petitioner or with leave of the Court.

3. Costs of this application be reserved.

The Board would like to clarify that, save as above, there were no other orders made by the Court on 13 May 2022 against the Company or any of the Directors including an order regarding the rights issue. On neither the occasions relating to the hearings of the Summons and 2nd Summons, did the Court consider it to have any basis restraining the Company from proceeding with the relevant rights issue. As a result, there is no injunction order made against the Company or any of the Directors regarding the intended rights issue.

The hearing on 6 July 2022 in relation to an originating summons dated 4 May 2022 (the "**Originating Summons**"), will be an application by the Petitioner (the "**Plaintiff**") to seek an order/relief that:

- 1. A declaration that –
  - a. the decision to disallow the voting in respect of 296,980,000 shares in the Company beneficially owned by the Plaintiff (the "**Subject Shares**") in all the resolutions (the "**Company EGM Resolutions**") at the Company's extraordinary general meeting held at Portion 2, 12/F., The Centre, 99 Queen's Road Central, Central, Hong Kong on Friday 29 April 2022 at 8 a.m. (the "**Company EGM**") by the Chairman thereat was made in bad faith and/or for ulterior motive, that such decision is void and be set aside;
  - b. the voting by the Plaintiff (and/or its proxies, agents or nominees) in respect of the Subject Shares be counted in all the resolutions at the Company EGM;
  - c. the Company EGM Resolutions have passed as ordinary resolutions of the Company, to the extent that –
    - i. Mr. Kim Jim Yeob ("**Mr. JY Kim**"), Mr. Koo Ja Chun ("**Mr. Koo**"), Mr. Xiao Jingen ("**Mr. Xiao**"), Ms. Sin Pui Ying ("**Ms. Sin**"), Mr. Cheng Kwan Yu ("**Mr. Cheng**"), and Mr. Tsang Chun Yu ("**Mr. Tsang**", together with Mr. JY Kim, Mr. Koo, Mr. Xiao, Mr. Cheng and Ms. Sin, collectively the "**Impugned Directors**") be removed as directors of the Company with effect from 29 April 2022;

- ii. Mr. Ng Thiam Chye (Alias Huang Tiancai) and Mr. Wang Yow Hsiong (the “**Absolute Nominated Candidates**”) be appointed as independent non-executive directors of the Company with effect from 29 April 2022;
  - iii. the maximum number of directors be fixed with immediate effect to a number that is the aggregate of the total number of directors immediately prior to the Company EGM; and
  - iv. any directors who may be appointed between 15 March 2022 and the date of this declaration and not yet removed, other than the Absolute Nominated Candidates, be removed from office as directors with effect from 29 April 2022;
2. alternatively, a declaration that –
  - a. the Company’s extraordinary general meeting held at Room 2202, 22/F., China Overseas Building, 139 Hennessy Road, Wanchai, Hong Kong and by way of e-meeting on Friday 29 April 2022 at 9 a.m. (the “**Absolute EGM**”) be held as the valid and proper meeting; and
  - b. all the resolutions passed at the Absolute EGM, which is substantially the same as the Company EGM Resolutions, have passed as ordinary resolutions of the Company; and
3. An order that the Impugned Directors be restrained from acting or holding out as directors of the Company;
4. An order that the Impugned Directors and the Company be restrained from inhibiting (whether by themselves or by their servants, agents, employees or otherwise howsoever) the Absolute Nominated Candidates from acting or holding out as directors of the Company;
5. Costs; AND
6. Further and/or other relief as the Court deems fit.

The Company will make further announcement(s) to keep its Shareholders and potential investors informed of any significant development of the Petition, Originating Summons and 2nd Summons as and when appropriate.

**Shareholders of the Company and potential investors should accordingly exercise caution when dealing in the securities of the Company.**

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

Hong Kong, 23 May 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, Mr. Tsang Chung Yu, Mr. Ng Thiam Chye (Alias Huang Tiancai) and Mr. Wang Yow Hsiong.*

*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 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.*

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