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Zall Smart Commerce Group Ltd.

卓爾智聯集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2098)

EXTENSION OF SECOND LONG STOP DATE IN RELATION TO THE VERY SUBSTANTIAL ACQUISITION

References are made to the announcements of the Company dated 13 November 2016 and 30 June 2018 and the circular of the Company dated 15 February 2017 (the “**Circular**”) in relation to, among other things, the Transactions. Unless otherwise defined, capitalized terms used in this announcement shall have the same meanings as defined in the Circular.

LATEST STATUS OF THE SECOND COMPLETION

As at the date of this announcement, Second Completion Condition (b) has been satisfied and, in relation to Second Completion Condition (c), the corporate structure of the Target Group as set out in the section headed “Shareholding Structure of the Target Group” in the Circular has been formed where Target Company D1 and Target Company D2 acquired 7.95% and 1.94% equity interests in the Project Company, respectively. Vendor D is in the progress of fulfilling the remaining Second Completion Conditions.

In particular, as disclosed in the Circular, the Second Completion is conditional upon all resolutions, approvals, filings and license changes as required by the government or the constitutional documents of any company in the Project Group having been obtained. As the Project Company is partially owned by the government of the PRC, the Board is given the understanding that in order for Vendor D to proceed with the Second Completion, the approval of the State-owned Assets Supervision and Administration Commission of the State Council of Shenzhen Municipal (“**Shenzhen SASAC**”) is required as the acquisition of the equity interests in the Project Company by Target Company D1 and Target Company D2 is governed by the Shenzhen SASAC Notice in relation to the Promotion of Management Shareholding in Municipal Managed State-owned Enterprise in an Active and Orderly Manner (深圳市國資委關於積極穩妥推進市屬國有企業管理層和核心骨幹持股試點的通知). Subject to the satisfaction or waiver of the other Second Completion Conditions, it is expected that the Second Completion shall take place upon the approval from the Shenzhen SASAC having been obtained.

EXTENSION OF THE SECOND LONG STOP DATE

As additional time is required for obtaining the aforementioned approval from Shenzhen SASAC, the Purchaser and Vendor D entered into a supplemental agreement on 31 October 2018, pursuant to which the parties agreed to extend the Second Long Stop Date to 31 March 2019 or such later date as may be agreed between the parties in writing.

Save as disclosed above, all other terms and conditions of the Acquisition Agreement remain unchanged and shall be in full force and effect.

AS THE SECOND COMPLETION IS SUBJECT TO THE SATISFACTION (OR IF APPLICABLE, WAIVER) OF THE SECOND COMPLETION CONDITIONS, THE SECOND COMPLETION MAY OR MAY NOT TAKE PLACE. THE ISSUE OF THIS ANNOUNCEMENT DOES NOT IN ANY WAY IMPLY THAT THE SECOND COMPLETION WILL TAKE PLACE. SHAREHOLDERS AND POTENTIAL INVESTORS SHOULD EXERCISE CAUTION WHEN DEALING IN THE SHARES OF THE COMPANY.

By order of the Board
Zall Smart Commerce Group Ltd.
Yan Zhi
Co-chairman

Hong Kong, 31 October 2018

As at the date of this announcement, the Board comprises eight members, of which Dr. Yan Zhi, Dr. Gang Yu, Mr. Wei Zhe, David, Mr. Qi Zhiping and Mr. Cui Jinfeng are executive Directors; Mr. Cheung Ka Fai, Mr. Wu Ying and Mr. Zhu Zhengfu are independent non-executive Directors.