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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)

**FURTHER UPDATE ON THE PROGRESS OF
THE VERY SUBSTANTIAL ACQUISITION**

References are made to the announcements of the Company dated 27 June 2017, 2 April 2018, 2 October 2018 and 18 October 2018 (the “**Fourth Announcement**”), and the circular of the Company dated 11 December 2017 (the “**Circular**”) in relation to, among other things, the Further Acquisition. Unless otherwise defined, capitalized terms used in this announcement shall have the same meanings as defined in the Circular.

LATEST DEVELOPMENT

As stated in the Fourth Announcement, as Vendor E is a state-owned and A-share listed enterprise in the PRC, the proposed sale of the Second Target Equity Interest by Vendor E is subject to, among others, compliance with (i) the Management Policies of State-owned Assets of Shenzhen Municipal Corporations* (深圳市屬企業國有產權變動監管辦法) (the “**Shenzhen State-owned Assets Management Policies**”) issued by the State-owned Assets Supervision and Administration Commission of the State Council of Shenzhen Municipal (“**Shenzhen SASAC**”); and (ii) the Management Policies of Listed Companies Material Asset Restructuring* (上市公司重大資產重組管理辦法) (the “**Listed Companies Restructuring Management Policies**”) issued by the China Securities Regulatory Commission, which require (a) audit of the financials of the Project Company and valuation of the Second Target Equity Interest; (b) Vendor E to obtain opinion on the Second Acquisition from independent financial advisors, legal advisors and accountants; (c) the approval of the Second Acquisition by the board of directors of Vendor E; (d) the approval of the Second Acquisition by the shareholders of Vendor E (including Shenzhen SASAC in its capacity as a shareholder of Vendor E) in a general meeting; (e) the announcement of the proposed listing for sale of the Second Target Equity Interest; and (f) the listing for sale of the Second Target Equity Interest on the Shenzhen United Property Exchange* (深圳聯合產權交易所) (the “**SUPE**”).

In relation to requirement (a), whilst the valuation of the Second Target Equity Interest has completed, the audited financial statements for the Project Company has become outdated and the financials of the Project Company has to be audited again. As at the date of this announcement, (i) requirements (e) and (f) have been fulfilled, as the Group submitted the relevant bid documents to the SUPE on 7 January 2019 and received the confirmation of eligibility from the SUPE on 14 January 2019; and (ii) Vendor E has completed the audit of the financials of the Project Company for one further reporting period and has to re-comply with the abovementioned requirements (b), (c) and (d).

EXTENSION OF TIME OF COMPLETION

As disclosed in the Fourth Announcement, the Second Acquisition was estimated to be completed on or before 31 March 2019.

Since Vendor E has to fulfil the abovementioned requirements (b), (c) and (d) under the Shenzhen State-owned Assets Management Policies and the Listed Companies Restructuring Management Policies again, In light of the above, it is currently expected that the Second Acquisition would be completed on or before 30 September 2019.

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

Hong Kong, 1 April 2019

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.