
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Zall Smart Commerce Group Ltd., you should at once hand this circular, together with the enclosed form of proxy, to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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ZALL卓尔

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)

**PROPOSALS FOR
RENEWAL OF GENERAL MANDATES TO ISSUE SHARES
AND TO BUY BACK SHARES,
RE-ELECTION OF DIRECTORS
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the Annual General Meeting to be held at Suite 2101, 21/F, Two Exchange Square, Central, Hong Kong on Thursday, 30 May 2019 at 10:30 a.m. is set out on pages 17 to 21 of this circular. Whether or not you intend to be present and vote at the Annual General Meeting, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Company's Hong Kong share registrar, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the Annual General Meeting or any adjourned meeting. The completion and return of a form of proxy will not preclude you from attending and voting at the Annual General Meeting in person should you so wish. If you attend and vote at the Annual General Meeting, the authority of your proxy will be revoked.

26 April 2019

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:

“Annual General Meeting”	the annual general meeting of the Company to be held at Suite 2101, 21/F, Two Exchange Square, Central, Hong Kong on Thursday, 30 May 2019 at 10:30 a.m., for the purpose of considering and, if thought fit, approving the proposed resolutions contained in the notice of the meeting which is set out on pages 17 to 21 of this circular, or any adjournment thereof
“Articles of Association”	the articles of association of the Company as amended, modified or otherwise supplemented from time to time
“Board”	the board of Directors
“Companies Law”	the Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands
“Company”	Zall Smart Commerce Group Ltd. (卓爾智聯集團有限公司), a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the main board of the Stock Exchange
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Issue Mandate”	a general and unconditional mandate to be granted to the Directors to allot, issue, and otherwise deal with new Shares with a total number not exceeding 20% of the total number of Shares in issue as at the date of passing of the relevant resolution
“Latest Practicable Date”	17 April 2019, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Nomination Committee”	the nomination committee of the Company

DEFINITIONS

“PRC”	the People’s Republic of China, which shall not include Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan, for the purpose of this circular
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as amended from time to time
“Share(s)”	ordinary share(s) of HK\$0.00333 each in the capital of the Company
“Share Buy-back Mandate”	a general and unconditional mandate to be granted to the Directors to exercise the power of the Company to buy back Shares up to a maximum of 10% of the total number of Shares in issue as at the date of passing the relevant resolution
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder(s)”	has the same meaning ascribed to it under the Listing Rules
“Takeovers Code”	the Code on Takeovers and Mergers
“%”	per cent.

LETTER FROM THE BOARD

ZALL卓尔

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)

Executive Directors:

Mr. Yan Zhi

(Co-chairman and Co-chief Executive Officer)

Dr. Gang Yu *(Co-chairman)*

Mr. Wei Zhe, David

Mr. Qi Zhiping *(Co-chief Executive Officer)*

Mr. Cui Jinfeng

Ms. Min Xueqin

Independent Non-executive Directors:

Mr. Cheung Ka Fai

Mr. Wu Ying

Mr. Zhu Zhengfu

Registered Office:

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

Principal Place of

Business in Hong Kong:

Suite 2101, 21st Floor

Two Exchange Square

Central

Hong Kong

26 April 2019

To the Shareholders

Dear Sir/Madam,

**PROPOSALS FOR
RENEWAL OF GENERAL MANDATES TO ISSUE SHARES
AND TO BUY BACK SHARES,
RE-ELECTION OF DIRECTORS
AND
NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to provide you with the notice of the Annual General Meeting and information regarding the ordinary resolutions to be proposed at the Annual General Meeting to enable the Shareholders to make an informed decision on whether to vote for or against the resolutions. The resolutions to be proposed at the Annual General Meeting include, inter alia, (i) the renewal of the Issue Mandate and the Share Buy-back Mandate; (ii) the extension of the Issue Mandate to include Shares bought back pursuant to the Share Buy-back Mandate; and (iii) the re-election of retiring Directors.

LETTER FROM THE BOARD

RENEWAL OF GENERAL MANDATES TO ISSUE AND BUY BACK SHARES

At the annual general meeting of the Company held on 30 May 2018, resolutions were passed granting general mandates to the Directors (i) to allot, issue and deal with Shares with a total number not exceeding 20% of the total number of Shares in issue as at the date of passing of the relevant resolution and, (ii) to buy back Shares with a total number not exceeding 10% of the total number of Shares in issue as at the date of passing of the relevant resolution. Such general mandates will expire at the conclusion of the forthcoming Annual General Meeting.

At the Annual General Meeting, separate ordinary resolutions will be proposed:

- (a) to grant the Issue Mandate to the Directors to exercise the powers of the Company to allot, issue or otherwise deal with Shares not exceeding 20% of the total number of Shares in issue as at the date of passing of the resolution. The Issue Mandate will end on the earliest of (i) the date of the next annual general meeting, (ii) the date by which the next annual general meeting of the Company is required to be held by the Articles of Association or any applicable laws, or (iii) the date upon which such authority is revoked or varied by an ordinary resolution of the Shareholders at a general meeting of the Company. Based on 11,681,731,800 Shares in issue as at the Latest Practicable Date and assuming no further Shares are issued or bought back prior to the date of the Annual General Meeting, the Directors will be authorised to issue up to 2,336,346,360 Shares under the Issue Mandate;
- (b) to grant the Share Buy-back Mandate to the Directors to exercise all powers of the Company to buy back issued Shares subject to the criteria set out in this circular. Under such Share Buy-back Mandate, the maximum number of Shares that the Company may buy back shall not exceed 10% of the total number of Shares in issue as at the date of passing the relevant resolution. As at the Latest Practicable Date, the number of Shares in issue was 11,681,731,800 Shares. Subject to the passing of the proposed ordinary resolution approving the granting of the Share Buy-back Mandate and assuming no further Shares are issued or bought back prior to the Annual General Meeting, the Company would be allowed under the Share Buy-back Mandate to buy back a maximum of 1,168,173,180 Shares. The Share Buy-back Mandate will end on the earliest of (i) the date of the next annual general meeting, (ii) the date by which the next annual general meeting of the Company is required to be held by the Articles of Association or any applicable laws, or (iii) the date upon which such authority is revoked or varied by an ordinary resolution of the Shareholders at a general meeting of the Company; and
- (c) subject to the passing of the aforesaid ordinary resolutions of the Issue Mandate and the Share Buy-back Mandate, to extend the number of Shares to be issued and allotted under the Issue Mandate by an additional number representing such number of Shares bought back under the Share Buy-back Mandate.

LETTER FROM THE BOARD

In accordance with the Listing Rules, an explanatory statement is set out in Appendix I to this circular to provide you with requisite information reasonably necessary to enable you to make an informed decision on whether to vote for or against the proposed resolution to renew the grant of the Share Buy-back Mandate at the Annual General Meeting.

RE-ELECTION OF RETIRING DIRECTORS

In accordance with Article 83(3) of the Articles of Association, any Director appointed by the Board to fill a casual vacancy shall hold office until the first annual general meeting after his appointment. Accordingly, Mr. Qi Zhiping and Ms. Min Xueqin will retire at the Annual General Meeting and, being eligible, will offer themselves for re-election as Directors at the Annual General Meeting.

In accordance with Article 84(1) of the Articles of Association, at each annual general meeting, one-third of the Directors for the time being shall retire from office by rotation. Accordingly, each of Mr. Cui Jinfeng, Mr. Cheung Ka Fai and Mr. Zhu Zhengfu will retire at the Annual General Meeting and, being eligible, will offer themselves for re-election as Directors at the Annual General Meeting.

The Company has in place a nomination policy which sets out, inter alia, the selection criteria and the evaluation procedures in nominating candidates to be appointed or re-appointed as Directors. In the context of re-appointment of any existing member(s) of the Board, the Nomination Committee makes recommendation to the Board for its consideration and recommendation, for the proposed candidates to stand for re-election at a general meeting.

In accordance with the terms of reference of the Nomination Committee and the nomination policy of the Company, the Nomination Committee has reviewed the annual independence confirmation submitted by each independent non-executive Director and assessed the independence of each of them.

The Board, having considered the recommendation of the Nomination Committee, is of the view that each of the retiring Directors has contributed positively to the Company with their extensive knowledge and experience in various fields, thus providing invaluable contribution and diversity of the Board. In particular, the independent non-executive Directors proposed for re-election were identified by the Nomination Committee after having taken into account the skills and experience of the candidates. The Board is of the view that (i) during their tenure as independent non-executive Directors, Mr. Cheung Kai Fai has made positive contributions to the Company by providing independent advice and financial perspectives with his accounting and auditing experience and Mr. Zhu Zhengfu has made positive contributions to the Company by providing independent advice and business insights with his legal knowledge and managerial experience; (ii) both Mr. Cheung Kai Fai and Mr. Zhu Zhengfu are able to contribute to the diversity of the Board in terms of age, gender and nationality; and (iii) holding directorship in not more than seven listed companies, each of Mr. Cheung Kai Fai and Mr. Zhu Zhengfu is able to devote sufficient time and attention to perform his duties as independent non-executive Directors. All independent non-executive Directors, including Mr. Cheung Kai Fai and Mr. Zhu Zhengfu, meet the independence guidelines set out in Rule 3.13 of the Listing Rules. The Board is not aware of any

LETTER FROM THE BOARD

relationships or circumstances that might influence any independent non-executive Directors in exercising independent judgement, and is satisfied that each independent non-executive Director has the required character, integrity, experience and independence to continuously fulfill his role as an independent non-executive Director effectively.

Accordingly, the Board has proposed that all the retiring Directors stand for re-election at the Annual General Meeting.

The biographical details of the retiring Directors proposed to be re-elected at the Annual General Meeting are set out in Appendix II to this circular.

ANNUAL GENERAL MEETING

The Company will convene the Annual General Meeting at Suite 2101, 21/F, Two Exchange Square, Central, Hong Kong on Thursday, 30 May 2019 at 10:30 a.m. at which resolutions will be proposed for the purpose of considering and if thought fit, approving the resolutions set out in the notice of the Annual General Meeting as set out on pages 17 to 21 of this circular.

A form of proxy for use in connection with the Annual General Meeting is enclosed with this circular. Whether or not you intend to be present and vote at the Annual General Meeting, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Company's Hong Kong branch share registrar, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the Annual General Meeting or any adjournment thereof. The completion and return of a form of proxy will not preclude you from attending and voting at the Annual General Meeting in person should you so wish. If you attend and vote at the Annual General Meeting, the authority of your proxy will be revoked.

VOTING BY WAY OF POLL

All the resolutions set out in the notice of the Annual General Meeting would be decided by poll in accordance with the Listing Rules and the Articles of Association. The poll results will be published on the Company's website at www.zallcn.com and the Stock Exchange's website at www.hkexnews.hk after the conclusion of the Annual General Meeting.

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquires, confirm that to the best of their knowledge and belief, the information contained in this circular 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 circular misleading.

LETTER FROM THE BOARD

RECOMMENDATION

The Directors consider that the resolutions, including but without limitation to, (i) the renewal of the Issue Mandate and the Share Buy-back Mandate; (ii) the extension of the Issue Mandate to include Shares bought back pursuant to the Share Buy-back Mandate; and (iii) the re-election of retiring Directors are in the best interests of the Company as well as its Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of all the resolutions to be proposed at the Annual General Meeting.

GENERAL INFORMATION

Your attention is drawn to the additional information set out in the appendices to this circular.

Yours faithfully
By Order of the Board
Yan Zhi
Co-chairman

This is an explanatory statement given to all Shareholders relating to a resolution to be proposed at the Annual General Meeting for approving the Share Buy-back Mandate. This explanatory statement contains all the information required pursuant to Rule 10.06(1)(b) and other relevant provisions of the Listing Rules which is set out as follows:

1. SHARES IN ISSUE

As at the Latest Practicable Date, there was a total of 11,681,731,800 Shares in issue. Subject to the passing of the ordinary resolution granting the Share Buy-back Mandate and on the basis that no further Shares are issued or bought back during the period from the Latest Practicable Date to the date of the Annual General Meeting, the Company will be allowed under the Share Buy-back Mandate to buy back a maximum of 1,168,173,180 Shares, being 10% of the total number of Shares in issue as at the date of the passing of the relevant resolution at the Annual General Meeting.

2. REASONS FOR SHARE BUY-BACK

The Directors have no present intention to buy back any Shares but consider that the ability to do so would give the Company additional flexibility that would be beneficial to the Company and the Shareholders as a whole as such buy-back may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net assets value of the Company and/or its earning per Share and will only be made when the Directors believe that such a buy-back will benefit the Company and the Shareholders as a whole.

3. IMPACT OF SHARE BUY-BACK

As compared with the financial position of the Company as at 31 December 2018 (as disclosed in its latest audited financial statements for the year ended 31 December 2018), the Directors consider that there would not be any material adverse impact on the working capital and on the gearing position of the Company in the event that the proposed buy-back were to be carried out in full during the proposed buy-back period. In the circumstances, the Directors do not propose to exercise the Share Buy-back Mandate to such an extent as would have a material adverse impact on the working capital or gearing ratio of the Company.

4. FUNDING OF BUY-BACK

The Company is empowered by its Articles of Association to buy back its Shares. In buying back Shares, the Company may only apply funds legally available for such purpose in accordance with the Articles of Association, the Listing Rules, the Companies Law, the laws of the Cayman Islands and any other applicable laws. Under the laws of the Cayman Islands, payment for a share buy-back by the Company may only be made out of profits, the share premium account or the proceeds of a new issue of Shares made for such purpose or out of capital of the Company. The amount of premium payable on a buy-back of Shares may only be paid out of either or both of the profits or out of the share premium of the Company or out of capital of the Company.

In addition, under the laws of the Cayman Islands, payment out of capital by a company for the purchase by a company of its own shares is unlawful unless immediately following the date on which the payment is proposed to be made, the company shall be able to pay its debts as they fall due in the ordinary course of business. In accordance with the laws of the Cayman Islands, the shares so bought back would be treated as cancelled but the aggregate amount of authorised share capital would not be reduced.

5. DISCLOSURE OF INTEREST

None of the Directors nor, to the best of their knowledge and belief having made all reasonable enquiries, any of their close associates, have any present intention to sell any Shares to the Company in the event that the Share Buy-back Mandate is granted by the Shareholders.

No core connected person of the Company (as defined in the Listing Rules) has notified the Company that he/she/it has a present intention to sell any Shares to the Company nor has he/she/it undertaken not to sell any of the Shares held by him/her/it to the Company in the event that the Share Buy-back Mandate is granted by the Shareholders.

6. UNDERTAKING OF THE DIRECTORS

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will only exercise the powers of the Company to make buy backs pursuant to the Share Buy-back Mandate and in accordance with the Listing Rules, the Articles of Association and the laws of the Cayman Islands.

7. EFFECT OF TAKEOVERS CODE

A buy-back of Shares by the Company may result in an increase in the proportionate interest of a substantial shareholder of the Company in the voting rights of the Company, which could give rise to an obligation to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, to the best of the knowledge and belief of the Company, Zall Development Investment Company Limited was beneficially interested in 6,609,022,268 Shares, representing approximately 56.58% of the total number of Shares in issue. In the event that the Directors exercise in full the power to buy back the Shares which is proposed to be granted pursuant to the Share Buy-back Mandate, the shareholding of Zall Development Investment Company Limited would be increased to approximately 62.86% of the then total number of Shares in issue. In the opinion of the Directors, such increase would not give rise to an obligation to make a mandatory general offer under Rule 26 of the Takeovers Code, and accordingly, the Directors are not aware of any other consequences which would arise under the Takeovers Code as a result of any purchase of its Shares by the Company. The Company has no intention to exercise the Share Buy-back Mandate to such extent that it would result in the number of Shares held by the public being reduced to less than 15% of the issued share capital of the Company.

8. SHARE BOUGHT BACK BY THE COMPANY

The Company had not bought back any Shares (whether on the Stock Exchange or otherwise) in the six months preceding the Latest Practicable Date.

9. SHARE PRICES

During each of the previous 12 months up to the Latest Practicable Date, the highest and lowest traded prices for the Shares on the Stock Exchange were as follows:

	Price per Share	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2018		
April	11.76	9.82
May	10.30	8.09
June	9.80	8.48
July	9.48	7.00
August	7.59	6.02
September	6.70	5.71
October	5.95	5.36
November	6.12	5.53
December	6.07	3.63
2019		
January	4.56	3.85
February	4.74	3.92
March	4.08	2.87
April (up to the Latest Practicable Date)	3.79	3.10

APPENDIX II DETAILS OF THE DIRECTORS TO BE RE-ELECTED

The biographical details of the Directors proposed to be re-elected at the Annual General Meeting are set out as follows:

Executive Directors

Mr. Qi Zhiping, aged 46, was appointed as an executive Director and co-chief executive officer of the Company on 6 July 2018. He is also a member of the remuneration committee of the Company. Mr. Qi joined the Group at the acquisition of 50.6% equity interest in Shenzhen Sinoagri E-commerce Co., Ltd. (“Shenzhen Sinoagri”) by the Group in June 2017. Mr. Qi was then the vice chairman of Shenzhen Sinoagri and holds the position after the above acquisition. Mr. Qi is also the co-president of the Group. Mr. Qi is primarily responsible for the integrated management of the online platform of the Group and the collaboration of various platforms, and the overall strategic planning and management capacity enhancement of Shenzhen Sinoagri, the planning for investment and development strategy of the Group, designing commercial models, engaging in investment projects decision and management of the Group. Mr. Qi was one of the founding members of Shenzhen Sinoagri. He has extensive experience on operation and management of retail chain, securities investment and E-commerce and experienced in corporate governance, strategic planning and global deployment.

Mr. Qi is also the vice chairman and a director of LightInTheBox Holding Co., Ltd., a company listed on the New York Stock Exchange.

Mr. Qi obtained his bachelor’s degree in corporate management from Shenzhen University in 1994. He is currently studying the Executive Master of Business Administration (EMBA) programme of China Europe International Business School.

Mr. Qi is not connected with any director, senior management, substantial shareholders or controlling shareholders of the Company. As at the Latest Practicable Date, Mr. Qi was interested, or deemed to be interested, in, 7,656,097 Shares and share options of the Company with a right to subscribe for a total of 46,384,552 Shares, in aggregate representing approximately 0.46% of the issued Shares. Save as disclosed, Mr. Qi does not have any other interests in the securities of the Company within the meaning of Part XV of the SFO.

Save as disclosed above, Mr. Qi has not held any directorship in any other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the past three years.

Mr. Qi has entered into a service contract with the Company for a term of three years commencing from 6 July 2018, and is subject to retirement by rotation at the annual general meetings of the Company in accordance with the Articles of Association. Pursuant to the service contract, Mr. Qi is entitled to receive Director’s fee of RMB600,000 per annum, co-chief executive officer’s emolument of RMB1,000,000 per annum, which are determined with reference to his experience, duties and responsibilities in the Company, as well as the prevailing market rate. Mr. Qi shall also be entitled to discretionary bonus, share options under the share option scheme of the Company and other incentives as determined by the remuneration committee of the Company from time to time with reference to the

APPENDIX II DETAILS OF THE DIRECTORS TO BE RE-ELECTED

remuneration policy of the Company. In addition, as the vice chairman of Shenzhen Sinoagri, Mr. Qi is entitled to receive annual emolument of RMB1,030,000 and discretionary bonus. The total amount of director's emoluments of Mr. Qi for the year ended 31 December 2018 is set out in note 7 to the consolidated financial statements in the Company's annual report 2018.

Save as disclosed above, there is no other information to be disclosed pursuant to any of the requirements set out in Rule 13.51(2)(h) to (v) of the Listing Rules in respect of Mr. Qi and there are no other matters that need to be brought to the attention of the Shareholders in relation to his re-election.

Mr. Cui Jinfeng, aged 40, currently is the chairman of the Group's Tianjian Zall E-commerce Mall. He was appointed as an executive Director on 20 June 2011. Mr. Cui is also a member of the risk management committee of the Company. He joined the Group in July 2005 and is primarily responsible for the overall day-to-day management of our projects outside Hubei Province. Mr. Cui has over 14 years of experience in the wholesale market and commercial property industries. Mr. Cui received a diploma in motor vehicle manufacturing and maintenance from Jiangnan University (江漢大學) in June 2000 and obtained his master's degree in business administration from The Chinese University of Hong Kong in July 2014. Mr. Cui is the vice president of Zall Holdings Limited, a company which is owned as to 99.95% by Mr. Yan Zhi, an executive Director, the co-chief executive officer of the Company and co-chairman of the Board.

Mr. Cui is not connected with any director, senior management, substantial shareholders or controlling shareholders of the Company. As at the Latest Practicable Date, Mr. Cui was interested in 1,592,500 Shares and share options of the Company with a right to subscribe for a total of 2,000,000 Shares, in aggregate representing approximately 0.03% of the issued Shares. Save as disclosed, Mr. Cui does not have any other interests in the securities of the Company within the meaning of Part XV of the SFO.

Save as disclosed above, Mr. Cui has not held any directorship in any other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the past three years.

Mr. Cui has entered into a service contract with the Company for a term of three years commencing from 10 July 2017, and is subject to retirement by rotation at the annual general meetings of the Company in accordance with the Articles of Association. Pursuant to the service contract, Mr. Cui is entitled to receive Director's fee of HKD 480,000 per annum which is determined with reference to his experience, duties and responsibilities in the Company, as well as the prevailing market rate. Mr. Cui shall also be entitled to discretionary bonus, share options under the share option scheme of the Company and other incentives as determined by the remuneration committee of the Company from time to time with reference to the remuneration policy of the Company. The total amount of director's emoluments of Mr. Cui for the year ended 31 December 2018 is set out in note 7 to the financial statements in the Company's annual report 2018.

APPENDIX II DETAILS OF THE DIRECTORS TO BE RE-ELECTED

Save as disclosed above, there is no other information to be disclosed pursuant to any of the requirements set out in Rule 13.51(2)(h) to (v) of the Listing Rules in respect of Mr. Cui and there are no other matters that need to be brought to the attention of the Shareholders in relation to his re-election.

Ms. Min Xueqin, aged 35, was appointed as an executive Director of the Company on 16 April 2019. Ms. Min has over nine years of experience in the commercial property and wholesale shopping mall industries. She is the deputy general manager of North Hankou Group Co., Ltd. and the vice president of the Group. She is responsible for the Group's administrative and finance issues. Ms. Min joined the Group in 2008, primarily responsible for the service management and financing of North Hankou International Trade Center. Since 2018, Ms. Min has served as the vice president of Zall Holdings Limited, being a company in which Mr. Yan Zhi, an executive Director, the co-chief executive officer of the Company and co-chairman of the Board, holds 99.95% shareholding, and as a director of Wuhan Z-Bank Ltd.* (武漢眾邦銀行有限公司), being a company which is held as to 30% by Zall Holdings Limited. Ms. Min was appointed as the vice president of the 7th Hubei Young Entrepreneurs Association* (湖北省青年企業家協會) since 2017. Ms. Min obtained a diploma in electronic commerce from Zhongnan University of Economics and Law (中南財經政法大學) in 2006. She enrolled in a course for obtaining an executive master of business administration degree at Wuhan University (武漢大學) since 2013.

Ms. Min is not connected with any director, senior management, substantial shareholders or controlling shareholders of the Company. As at the Latest Practicable Date, Ms. Min was interested in 59,000 Shares and share options of the Company with a right to subscribe for a total of 2,000,000 Shares, in aggregate representing approximately 0.02% of the issued Shares. Save as disclosed, Ms. Min does not have any other interests in the securities of the Company within the meaning of Part XV of the SFO.

Save as disclosed above, Ms. Min has not held any directorship in any other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the past three years.

Ms. Min has entered into a service contract with the Company under which she is appointed for a term of three years unless and until terminated by either party by serving not less than three months' written notice, but is subject to retirement by rotation and re-election at the annual general meeting of the Company at least once every three years in accordance with the Articles of Association. Pursuant to the service contract, Ms. Min is entitled to a remuneration of HK\$240,000 per annum and such other fringe benefit and bonus as the remuneration committee of the Company shall determine. The remuneration of Ms. Min has been reviewed by the remuneration committee and was determined by reference to her duties and responsibilities with the Company, the Company's performance and the prevailing market conditions. The remuneration of Ms. Min is subject to review by the Board and the remuneration committee of the Company from time to time. In addition, Ms. Min is entitled to annual remuneration of RMB120,000 (equivalent to approximately HK\$140,076.78) as the deputy general manager of North Hankou Group Co., Ltd. and the vice president of the Group.

APPENDIX II DETAILS OF THE DIRECTORS TO BE RE-ELECTED

Save as disclosed above, there is no other information to be disclosed pursuant to any of the requirements set out in Rule 13.51(2)(h) to (v) of the Listing Rules in respect of Ms. Min and there are no other matters that need to be brought to the attention of the Shareholders in relation to her re-election.

Independent Non-Executive Directors

Mr. Cheung Ka Fai, aged 44, was appointed as an independent non-executive Director on 20 June 2011. He is also the chairman of the audit committee and a member of the nomination committee and risk management committee of the Company. Mr. Cheung has over 20 years of experience in auditing, accounting and finance. Prior to joining the Group, Mr. Cheung worked as an auditor at Deloitte Touche Tohmatsu and served as the financial controller and company secretary of two companies listed on the GEM of the Stock Exchange. Mr. Cheung was the chief financial officer and company secretary of Huscoke Resources Holdings Limited, a company listed on the Main Board of the Stock Exchange from June 2008 to July 2012 and an executive director of Huscoke Resources Holdings Limited from October 2009 to July 2012. He has been serving as the chief financial officer of Bonjour Holdings Limited, a company listed on the Main Board of the Stock Exchange from August 2012 to present.

Mr. Cheung is an associate member of the Hong Kong Institute of Certified Public Accountants and a fellow of the Association of Chartered Certified Accountants. He obtained a bachelor's degree in accountancy from the Hong Kong Polytechnic University in November 1997 and a master's degree in business administration from the University of Bradford in January 2008.

As at the Latest Practicable Date, Mr. Cheung had no interests in the Shares within the meaning of Part XV of the SFO. Mr. Cheung is independent from and not related to any other Directors, senior management or substantial shareholders of the Company. Save as disclosed above, Mr. Cheung has not held any directorship in any other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the past three years.

Mr. Cheung has entered into a letter of appointment with the Company for a term of three years commencing from 13 July 2017, and is subject to retirement by rotation at the annual general meetings of the Company in accordance with the Articles of Association. Mr. Cheung is entitled to receive a Director's fee of HK\$300,000 per annum which is determined with reference to his experience, duties and responsibilities in the Company, as well as prevailing market conditions. Mr. Cheung shall also be entitled to discretionary bonus, share options under the share option scheme of the Company and other incentives as determined by the remuneration committee of the Company from time to time with reference to the remuneration policy of the Company. The total amount of director's emoluments of Mr. Cheung for the year ended 31 December 2018 is set out in note 7 to the financial statements in the Company's annual report 2018.

APPENDIX II DETAILS OF THE DIRECTORS TO BE RE-ELECTED

Save as disclosed above, there is no other information to be disclosed pursuant to any of the requirements set out in Rule 13.51(2)(h) to (v) of the Listing Rules in respect of Mr. Cheung and there are no other matters that need to be brought to the attention of the Shareholders in relation to his re-election.

Mr. Zhu Zhengfu, aged 55, was appointed as an independent non-executive Director on 10 March 2017. He is also the chairman of the remuneration committee and risk management committee and a member of the audit committee of the Company.

Mr. Zhu is currently a professional lawyer of Kunlun Law Firm (廣東東方昆侖律師事務所) and prior to that, Mr. Zhu was the deputy head of the Land Law Consultation Service Center of the Guangdong Province Land Resources Bureau (廣東省國土廳廣東地產法律諮詢服務中心) from 1995 to 1998, a partner at Guangdong Dalu Law Firm (廣東大陸律師事務所) from 1995 to 1998, the head of finance and real estate of Guangdong Economic Development Law Firm (廣州市經濟貿易律師事務所) from 1993 to 1995, and deputy department head of the economic development department of Wanbao Electronics Import and Export Co., Ltd. (萬寶電器進出口公司) from 1987 to 1993. Mr. Zhu is also an independent non-executive director of E Fund Management Co., Ltd. (易方達基金管理有限公司), an independent non-executive director of Dongjiang Environment Co., Ltd. (東江環保股份有限公司) and Chong Kin Group Holdings Limited (創建集團(控股)有限公司), which are listed on the Stock Exchange; an independent non-executive director of Guangzhou Guangdong Daily Media Co., Ltd. (廣東廣州日報傳媒股份有限公司) and Wuhan Sante Cableways Group Co. Ltd. (武漢三特索道集團股份有限公司), which are listed on the Shenzhen Stock Exchange; and is an independent non-executive director of Poly Real Estate Group Co., Ltd. (保利房地產集團股份有限公司), which is listed on the Shanghai Stock Exchange. He is also a member of the supervisory committee of CSSC Offshore & Marine Engineering (Group) Company Limited (中船海洋與防務裝備股份有限公司), which is listed on the Shanghai Stock Exchange. Mr. Zhu previously served as an independent non-executive director of Beijing Honggao Creative Construction Design Co., Ltd (北京弘高創意建築設計股份有限公司), which is listed on the Shenzhen Stock Exchange from November 2014 to April 2018 and O Luxe Holdings Limited, which is listed on the Stock Exchange, for the period from May 2015 to November 2017.

Mr. Zhu is also a member of the National Committee of the Chinese People's Political Consultative Conference and the vice president of All China Lawyers Association.

Mr. Zhu is graduated from Wuhan University with a PhD in International Economics Law in 1999 and holds a professional lawyer's certificate issued by the Ministry of Justice of the People's Republic of China.

As at the Latest Practicable Date, Mr. Zhu had no interests in the Shares within the meaning of Part XV of the SFO. Mr. Zhu is independent from and not related to any other Directors, senior management or substantial shareholders of the Company. Save as disclosed above, Mr. Zhu has not held any directorship in any other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the past three years.

APPENDIX II DETAILS OF THE DIRECTORS TO BE RE-ELECTED

Mr. Zhu has entered into a letter of appointment with the Company for a term of three years commencing from 10 March 2017, and is subject to retirement by rotation at the annual general meetings of the Company in accordance with the Articles of Association. Mr. Zhu is entitled to receive a Director's fee of HK\$480,000 per annum which is determined with reference to his experience, duties and responsibilities in the Company, as well as prevailing market conditions. Mr. Zhu shall also be entitled to discretionary bonus, share options under the share option scheme of the Company and other incentives as determined by the remuneration committee of the Company from time to time with reference to the remuneration policy of the Company. The total amount of director's emoluments of Mr. Zhu for the year ended 31 December 2018 is set out in note 7 to the financial statements in the Company's annual report 2018.

Save as disclosed above, there is no other information to be disclosed pursuant to any of the requirements set out in Rule 13.51(2)(h) to (v) of the Listing Rules in respect of Mr. Zhu and there are no other matters that need to be brought to the attention of the Shareholders in relation to his re-election.

** for identification purposes only*

NOTICE OF ANNUAL GENERAL MEETING

ZALL卓尔

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)

Notice is hereby given that the annual general meeting (the “**Annual General Meeting**”) of Zall Smart Commerce Group Ltd. (the “**Company**”) will be held at Suite 2101, 21/F, Two Exchange Square, Central, Hong Kong on Thursday, 30 May 2019 at 10:30 a.m. for the following purposes:

ORDINARY RESOLUTIONS

To consider and, if thought fit, pass the following resolutions (with or without modifications) as ordinary resolutions of the Company:

1. To receive, consider and adopt the audited consolidated financial statements and the reports of the directors of the Company (the “**Directors**”) and the auditors of the Company (the “**Auditors**”) for the year ended 31 December 2018;
2. To re-elect:
 - (a) Mr. Qi Zhiping as an executive Director;
 - (b) Mr. Cui Jinfeng as an executive Director;
 - (c) Ms. Min Xueqin as an executive Director;
 - (d) Mr. Cheung Ka Fai as an independent non-executive Director; and
 - (e) Mr. Zhu Zheugfu as an independent non-executive Director;each as a separate resolution;
3. To authorise the board of Directors (the “**Board**”) to fix the Directors’ remuneration;
4. To re-appoint KPMG as Auditors and to authorise the Board to fix their remuneration;

NOTICE OF ANNUAL GENERAL MEETING

5. To consider and, if thought fit, pass the following resolution as an ordinary resolution of the Company:

“THAT:

- (a) subject to paragraph (c) below, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company (the “Shares”) and to make or grant offers, agreements and options and rights of exchange or conversion which might require the exercise of such powers be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) shall be in addition to any other authorisation given to the Directors and shall authorise the Directors during the Relevant Period to make or grant offers, agreements, options and rights of exchange or conversion which might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate number of Shares allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraph (a), otherwise than pursuant to (i) a Rights Issue (as hereinafter defined); (ii) the share option scheme of the Company; (iii) any scrip dividend or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the articles of association of the Company; (iv) any specific authority granted or to be granted by the shareholders of the Company in general meeting(s), shall not exceed 20% of the total number of Shares in issue as at the date of passing this resolution, and the said approval shall be limited accordingly; and
- (d) for the purposes of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable laws to be held; and
- (iii) the date upon which the authority set out in this resolution is revoked or varied by way of ordinary resolution of the Company in general meeting; and

NOTICE OF ANNUAL GENERAL MEETING

“**Rights Issue**” means an offer of shares open for a period fixed by the Directors to holders of ordinary shares on the register of members of the Company on a fixed record date in proportion to their then holdings of such shares (subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any regulatory body or any stock exchange in, any territory outside Hong Kong).”;

6. To consider and, if thought fit, pass the following resolution as an ordinary resolution of the Company:

“**THAT:**

- (a) subject to paragraph (c) below, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to buy back Shares on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) or on any other stock exchange on which the Shares may be listed and recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws, including The Codes on Takeovers and Mergers and Share Buy-back and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange as amended from time to time, be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) shall be in addition to any other authorisation given to the Directors and shall authorise the Directors on behalf of the Company during the Relevant Period to procure the Company to buy back its Shares at a price determined by the Directors;
- (c) the total number of the Shares which are authorised to be bought back by the Directors pursuant to the approval in paragraph (a) above shall not exceed 10% of the total number of Shares in issue as at the date of passing this resolution, and the said approval shall be limited accordingly; and
- (d) for the purposes of this resolution:

“**Relevant Period**” means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable laws to be held; and

NOTICE OF ANNUAL GENERAL MEETING

(iii) the date on which the authority set out in this resolution is revoked or varied by way of ordinary resolution of the Company in general meeting.”; and

7. To consider and, if thought fit, pass the following resolution as an ordinary resolution of the Company:

“**THAT** conditional upon the passing of resolutions nos. 5 and 6 above, the general mandate granted to the Directors pursuant to resolution no. 5 be and is hereby extended by the addition thereto of an amount representing the number of Shares bought back by the Company under the authority granted pursuant to resolution no. 6, provided that such amount shall not exceed 10% of the total number of Shares in issue as at the date of passing this resolution.”

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

Hong Kong, 26 April 2019

Notes:

- (1) A member entitled to attend and vote at the above meeting may appoint one or, if he holds two or more shares, more proxies to attend and vote instead of him. A proxy need not be a member of the Company.
- (2) Where there are joint holders of any Share, any one of such joint holder may vote, either in person or by proxy, in respect of such Share as if he were solely entitled thereto, but if more than one of such joint holders be present at the meeting, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.
- (3) In order to be valid, a form of proxy together with the power of attorney (if any) or other authority (if any) under which it is signed or a certified copy thereof shall be deposited at the Company’s Hong Kong branch share registrar, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong not less than 48 hours before the time appointed for the holding of the meeting or any adjournment thereof. The proxy form will be published on the website of the Stock Exchange. The completion and return of the form of proxy shall not preclude a member from attending and voting in person at the Annual General Meeting (or any adjourned meeting thereof) if they so wish and in such event, the instrument appointing a proxy shall be deemed to be revoked.
- (4) The register of members of the Company will be closed from Friday, 24 May 2019 to Thursday, 30 May 2019 (both days inclusive) during which period no transfer of shares will be registered. In order to qualify for the entitlement to attend and vote at the forthcoming Annual General Meeting, all transfers accompanied by the relevant share certificates must be lodged with the Company’s Hong Kong branch share registrar, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong for registration not later than 4:30 p.m. on Thursday, 23 May 2019.
- (5) If typhoon signal number 8 or above is hoisted or a black rainstorm warning signal is in force any time after 8:30 a.m. on the date of the Annual General Meeting, then the meeting will be adjourned. The Company will post an announcement on the website of the Company at www.zallcn.com and HKExnews website at www.hkexnews.hk to notify shareholders of the date, time and place of the adjourned meeting.

NOTICE OF ANNUAL GENERAL MEETING

The Annual General Meeting will be held as scheduled when an amber or a red rainstorm warning signal is in force. Members of the Company should decide on their own whether they would attend the meeting under the bad weather condition bearing in mind their own situations.

- (6) As at the date of this notice, the Board comprises nine members, of which Mr. Yan Zhi, Dr. Gang Yu, Mr. Wei Zhe, David, Mr. Qi Zhiping, Mr. Cui Jinfeng and Ms. Min Xueqin, as executive Directors; Mr. Cheung Ka Fai, Mr. Wu Ying and Mr. Zhu Zhengfu as independent non-executive Directors.