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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 Monday, 15 June 2020 at 10:30 a.m. is set out on pages 15 to 18 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 54, 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.

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PRECAUTIONARY MEASURES FOR THE ANNUAL GENERAL MEETING

In view of the ongoing Novel Coronavirus (COVID-19) pandemic and recent requirements for prevention and control of its spread, the Company will implement the following preventive measures at the Annual General Meeting to protect attending Shareholders, staff and other stakeholders from the risk of infection:

- (a) Compulsory body temperature checks will be conducted on every Shareholder, proxy and other attendees at the entrance of the Annual General Meeting venue. Any person with a body temperature of over 37.4 degrees Celsius will be denied entry into the Annual General Meeting venue or be required to leave the Annual General Meeting venue.
- (b) All Shareholders, proxies and other attendees are required to complete and submit at the entrance of the Annual General Meeting venue a declaration form confirming their names and contact details, and confirming that they have not travelled to, or to the best of their knowledge had physical contact with any person who has recently travelled to, any affected countries or areas outside of Hong Kong (as per guidelines issued by the Hong Kong government at www.chp.gov.hk/en/features/102742.html) at any time in the preceding 14 days. Any person who does not comply with this requirement will be denied entry into the Annual General Meeting venue or be required to leave the Annual General Meeting venue.
- (c) Every attendee is required to wear surgical face mask inside the Annual General Meeting venue at all times, and to maintain a safe distance between seats.
- (d) Seating at the Venue will be arranged so as to allow for appropriate social distancing. As a result, there will be limited capacity for the Shareholders and participants to attend the AGM. The Company may limit the number of attendees at the AGM as may be necessary to avoid over-crowding.
- (e) No refreshments will be served, and there will be no corporate gifts.

To the extent permitted under law, the Company reserves the right to deny entry into the Annual General Meeting venue or require any person to leave the Annual General Meeting venue in order to ensure the safety of the attendees at the Annual General Meeting.

The Company hereby reminds the Shareholders not to attend the AGM if they have contracted or are suspected to have contracted COVID-19 or are subject to quarantine or self-quarantine in relation to COVID-19 or have been in close contact with anybody who has contracted or is suspected to have contracted COVID-19.

In the interest of all stakeholders' health and safety and consistent with recent COVID-19 guidelines for prevention and control, the Company reminds all Shareholders that physical attendance in person at the Annual General Meeting is not necessary for the purpose of exercising voting rights. As an alternative, by using proxy forms with voting instructions inserted, Shareholders may appoint the Chairman of the Annual General Meeting as their proxy to vote on the relevant resolutions at the Annual General Meeting instead of attending the Annual General Meeting in person.

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 Monday, 15 June 2020 at 10:30 a.m. or any adjournment thereof, 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 15 to 18 of this circular
“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
“controlling shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“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 at the Annual General Meeting to allot, issue or 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”	6 May 2020, 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

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, supplemented or otherwise modified 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 at the Annual General Meeting 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 issued by the Securities and Futures Commission of Hong Kong, as amended, supplemented or otherwise modified from time to time
“%”	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

14 May 2020

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 2019, 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 11,782,825,800 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 2,356,565,160 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 11,782,825,800 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 1,178,282,580 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.

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.

LETTER FROM THE BOARD

RE-ELECTION OF RETIRING DIRECTORS

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. Yan Zhi, Dr. Gang Yu and Mr. Wei Zhe, David will retire at the Annual General Meeting and, being eligible, will offer themselves for re-election as Directors at the Annual General Meeting.

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 Monday, 15 June 2020 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 15 to 18 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 54, 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 11,782,825,800 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 1,178,282,580 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 earnings 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 2019 (as disclosed in its latest audited financial statements for the year ended 31 December 2019), 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 will 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

To the best of their knowledge and belief having made all reasonable enquiries, none of the Directors nor any of their close associates (as defined in the Listing Rules), 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 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, Mr. Yan Zhi was beneficially interested in 6,976,517,268 Shares, representing approximately 59.21% 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 Mr. Yan Zhi would be increased to approximately 65.79% of the 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>
2019		
April	3.79	3.01
May	3.13	2.17
June	2.25	0.96
July	1.33	0.41
August	1.17	0.93
September	1.05	0.86
October	1.07	0.72
November	0.81	0.62
December	0.78	0.61
2020		
January	0.85	0.67
February	0.74	0.67
March	0.71	0.58
April	0.89	0.66
May (up to the Latest Practicable Date)	0.81	0.78

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

Executive Directors

Mr. Yan Zhi (閻志), aged 47, is the executive Director of the Company since the establishment of the Group and has been re-designated as co-chairman of the board since August 2015 and co-chief executive officer since July 2018. He is primarily responsible for the Group's overall business and investment strategies, as well as supervising its project planning, business and operation management. He is also a member of the nomination committee of the Company. Mr. Yan Zhi is the founder of the Group and has extensive industry experience in commercial property and wholesale market and other investment and enterprise management experience in various industries including finance, real estate, logistics, commerce and aviation. Mr. Yan Zhi is a non-executive director and chairman of China Infrastructure & Logistics Group Ltd., which is listed on the Main Board of the Stock Exchange (formerly known as CIG Yangtze Ports PLC, a company transfer its listing to the Main Board of the Stock Exchange on 29 January 2018, stock code: 1719). Mr. Yan Zhi is a non-independent director and chairman of Wuhan Hanshang Group Co., Ltd. (武漢市漢商集團股份有限公司), a company listed on the Shanghai Stock Exchange. Mr. Yan Zhi has been appointed as a director of LightInTheBox, a company listed on the New York Stock Exchange since 30 March 2016, and has been appointed as chairman of the board since 28 June 2018. Mr. Yan Zhi is an independent director of DouYu International Holdings Limited, a company listed on the Nasdaq Stock Market at the same time. Mr. Yan Zhi is the representative of the 13th National People's Congress of China. In August 2017, he was elected as the chairman of the Wuhan Federation of Industry and Commerce. Mr. Yan Zhi received a master's degree in business administration for senior executives from Wuhan University (武漢大學) in February 2008 and his executive master of business administration degree at Cheung Kong Graduate School of Management (長江商學院) in September 2013, and was awarded a doctoral degree in Chinese History by Wuhan University in June 2018.

Mr. Yan is a director and shareholder of Zall Development Investment Company Limited, a controlling shareholder of the Company. Save as disclosed, Mr. Yan is not connected with any director, senior management, substantial shareholders or controlling shareholders of the Company.

As at the Latest Practicable Date, Mr. Yan is interested in 6,976,517,268 Shares, representing approximately 59.21% of the issued share capital of the Company. Save as disclosed, Mr. Yan did 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. Yan did not hold 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. Yan has entered into a service contract with the Company for a term of three years. Mr. Yan is entitled to receive salaries of HK\$1,280,000 per annum which is determined by the Board with reference to his experience, duties and responsibilities, and to prevailing market conditions. Mr. Yan shall also be entitled to discretionary bonus and 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 remuneration of Mr. Yan for the year ended 31 December 2019 was approximately HK\$1,280,000. He is subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Articles of Association.

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. Yan and there are no other matters that need to be brought to the attention of the Shareholders in relation to his re-election.

Dr. Gang Yu (于剛), aged 60, was appointed as an executive Director and co-chairman of the Board on 17 August 2015. Dr. Yu is currently a co-founder and executive chairman of the 111 Inc., a well-known pharmaceutical e-commerce platform listed on NASDAQ, and was a co-founder and chairman emeritus of Yihaodian, a leading e-commerce company in China. Dr. Yu has extensive experience in E-commerce and operation and logistics management. Prior to founding Yihaodian, he was Vice President, Worldwide Procurement at Dell Inc. Dr. Yu also served as Vice President, Worldwide Supply Chain Operations at Amazon. com. Prior to joining Amazon, Dr. Yu served as the Jack G. Taylor Chair Professor in Business in the Department of Management Science and Information Systems at the McCombs School of Business, the University of Texas at Austin, Director of the Center for Management of Operations and Logistics, and co-Director of the Center for Decision Making under Uncertainty. Dr. Yu is also the founder, former chairman and chief executive officer of CALEB Technologies Corporation. CALEB Technologies was acquired by Accenture in a merger and acquisition in 2002. Dr. Yu obtained his bachelor's degree in science from Wuhan University in 1982 and his master's degree in science from Cornell University in 1985. Dr. Yu received his PhD from the Wharton School of Business, University of Pennsylvania in 1990. Dr. Yu was awarded Franz Edelman Award for Management Science Achievement by INFORMS, an international association in 2002. He was also awarded Excellence in Research Award (優秀研究獎) and Best Thesis Award (最佳論文獎) by International Industrial Engineer Institute (國際工業工程師協會) twice in 2002 and 2003. He was awarded Martin Starr Excellence in Production and Operations Management Practice Award (Martin Starr 生產與運營管理卓越實踐獎) by POMS, an international association in 2012. Dr. Yu published over 80 articles on international professional magazines along with 6 books and three American patents. Dr. Yu has been appointed as a director of LightInTheBox, a company listed on the New York Stock Exchange since 30 March 2016. Also, Dr. Yu was appointed as independent director of Baozun Inc., which is listed on the Nasdaq Stock Market since April 2018 and was appointed as director of Midea Group Co., Ltd (美的集團股份有限公司), which is listed on the Shenzhen Stock Exchange.

Dr. Yu is not connected with any director, senior management, substantial shareholders or controlling shareholders of the Company.

As at the Latest Practicable Date, Dr. Yu is interested in 112,890,840 Shares, representing approximately 0.96% of the issued share capital of the Company. Save as disclosed, Dr. Yu did not have any other interests in the securities of the Company within the meaning of Part XV of the SFO. Save as disclosed above, Dr. Yu did not hold 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

Dr. Yu has entered into a service contract with the Company for a term of three years. Dr. Yu is entitled to receive salaries of RMB1,200,000 per annum which is determined by the Board with reference to his experience, duties and responsibilities, and to prevailing market conditions. Dr. Yu shall also be entitled to discretionary bonus and 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 remuneration of Dr. Yu for the year ended 31 December 2019 was approximately RMB1,200,000. He is subject to retirement and re-election at the annual general meeting of the Company in accordance with the Articles of Association.

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 Dr. Yu and there are no other matters that need to be brought to the attention of the Shareholders in relation to his re-election.

Mr. Wei Zhe, David (衛哲), aged 49, was appointed as an independent non-executive Director on 11 April 2016 and has been re-designated as executive Director and appointed as chief strategy officer of the Company since 28 June 2017. Mr. Wei has over 18 years of experience in both investment and operational management in the PRC. Prior to launching Vision Knight Capital (China) Fund I, L.P., a private equity investment fund in 2011, Mr. Wei was an executive director and chief executive officer of Alibaba.com Limited, a leading worldwide B2B e-commerce company, for about five years, where he successfully led the company through its initial public offering and listing on the Hong Kong Stock Exchange in 2007. Alibaba.com Limited was delisted in June 2012. Prior to joining Alibaba.com Limited, Mr. Wei was the president, from 2002 to 2006, and chief financial officer, from 2000 to 2002, of B&Q China, the then subsidiary of Kingfisher plc, a leading home improvement retailer in Europe and Asia. Under Mr. Wei's leadership, B&Q China grew to become China's largest home improvement retailer. From 2003 to 2006, Mr. Wei was also the chief representative for Kingfisher's China sourcing office, Kingfisher Asia Limited. Prior to that, Mr. Wei served as the head of investment banking at Orient Securities Limited Liability Company (now Orient Securities Company Limited) from 1998 to 2000, and as corporate finance manager at Coopers & Lybrand (now part of PricewaterhouseCoopers) from 1995 to 1998. Mr. Wei was a non-executive director of HSBC Bank (China) Company Limited and The Hongkong and Shanghai Banking Corporation Limited and an independent director of 500.com Limited, and was also the vice chairman of China Chain Store & Franchise Association. He was voted as one of "China's Best CEOs" by "FinanceAsia" magazine in 2010. Mr. Wei is also a non-executive director of PCCW Limited, Zhong Ao Home Group Limited and JNBY Design Limited, which are listed on the Hong Kong Stock Exchange, an independent director of Leju Holdings Limited and OneSmart International Education Group Limited, which are listed on the New York Stock Exchange, also a director of Hitevision Co., Ltd., which is listed on the Shenzhen Stock Exchange. Mr. Wei served as an independent director of Shanghai M&G Stationery Inc., which is listed on the Shanghai Stock Exchange from June 2014 to May 2017. Mr. Wei also served as an independent non-executive director of Informa PLC, which is listed on the London Stock Exchange, from June 2018 to May 2019. He holds a bachelor's degree in international business management from Shanghai International Studies University and has completed a corporate finance program at London Business School.

APPENDIX II DETAILS OF THE DIRECTORS TO BE RE-ELECTED

Mr. Wei is not connected with any director, senior management, substantial shareholders or controlling shareholders of the Company.

As at the Latest Practicable Date, Mr. Wei is interested in 142,890,000 Shares, representing approximately 1.21% of the issued share capital of the Company. Save as disclosed, Mr. Wei did 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. Wei did not hold 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. Wei has entered into a service agreement with the Company with a term of three years. Mr. Wei is entitled to receive salaries of RMB1,200,000 per annum, which is determined by the Board with reference to his experience, duties and responsibilities, and to prevailing market conditions. Mr. Wei shall also be entitled to discretionary bonus and 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 remuneration of Mr. Wei for the year ended 31 December 2019 was approximately RMB1,200,000. He is subject to retirement and re-election at the annual general meeting of the Company in accordance with the Articles of Association.

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. Wei 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 Monday, 15 June 2020 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 “**Director(s)**”) and the auditors of the Company (the “**Auditors**”) for the year ended 31 December 2019;
2. To re-elect:
 - (a) Mr. Yan Zhi as an executive Director;
 - (b) Dr. Gang Yu as an executive Director; and
 - (c) Mr. Wei Zhe, David as an 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;
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 or otherwise 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;

NOTICE OF ANNUAL GENERAL MEETING

- (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

“**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).”;

NOTICE OF ANNUAL GENERAL MEETING

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
- (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

NOTICE OF ANNUAL GENERAL MEETING

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, 14 May 2020

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 light of the pandemic situation of Novel Coronavirus (COVID-19), member may consider appointing the chairman of the Annual General Meeting as his/her proxy to vote on the resolutions instead of attending Annual General Meeting in person. There will be no corporate gift or refreshment in the Annual General Meeting in order to reduce person-to-person contact. Shareholders attending the Annual General Meeting in person are required to wear surgical face mask and to undertake a body temperature check before they enter the Annual General Meeting venue. Any person who does not comply with the precautionary measures to be taken at the Annual General Meeting will be denied entry into the Annual General Meeting venue. Attendees are requested to observe and practise good personal hygiene at all times at the Annual General Meeting venue. The Company may be required to change the Annual General Meeting arrangements at short notice.
- (4) 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 54, 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.
- (5) The register of members of the Company will be closed from Wednesday, 10 June 2020 to Monday, 15 June 2020 (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 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Tuesday, 9 June 2020.
- (6) 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.

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.
- (7) 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.