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Zall Smart Commerce Group Ltd.

卓爾智聯集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2098)

PROFIT WARNING

This announcement is made by Zall Smart Commerce Group Ltd. (the “**Company**”, and together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders (the “**Shareholders**”) and potential investors of the Company that, based on the preliminary assessment of the Group’s latest management accounts for the year ended 31 December 2020 (the “**2020 Management Accounts**”), it is expected that the revenue of the Group will remain stable as compared to that for the year ended 31 December 2019 and may record a net loss of approximately RMB1.2 billion to RMB1.3 billion for the year ended 31 December 2020.

Based on information currently available to the Board, the Board believes that such net loss was mainly due to i) the operations of the Group’s physical wholesale markets have been greatly influenced as a result of the outbreak of COVID-19, certain concessionary supports have been offered by the Group to the tenants in the North Hankou International Trade Centre and other markets, leading to a decrease in the net profit generated from the rental segment, and the valuation of some properties in the Hankou North International Trade Centre project has declined accordingly; ii) some of the subsidiaries of the Group are expected to recognise impairment loss of goodwill and intangible assets; and iii) the significant decrease in the number of additional properties transferred to investment properties for rental purposes during the year, resulting in the significant decrease in the net valuation gain on investment properties. The Board believes that the North Hankou International Trade Centre and other physical wholesale markets of the Group will be more prosperous as the business gradually returns to normal. The performance of the Group will improve considerably in 2021.

The Company has yet to finalize the annual results of the Group for the year ended 31 December 2020. The information contained in this announcement is only based on a preliminary assessment by the Board with reference to the information currently available including the 2020 Management Accounts, which have not been reviewed or audited by the Company’s auditors and are subject to possible adjustments upon further review. The actual

results of the Group for the year ended 31 December 2020 will also be affected by other factors such as professional valuation on Group's assets such as investment properties, goodwill and intangible assets and therefore may be different from the financial information as disclosed in this announcement.

The annual results announcement of the Company for the year ended 31 December 2020 is expected to be published by the end of March 2021.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

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

Hong Kong, 19 March 2021

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