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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)

FURTHER UPDATE ON THE PROGRESS OF THE VERY SUBSTANTIAL ACQUISITION

References are made to the announcements of the Company dated 27 June 2017, 2 April 2018, 2 October 2018, 18 October 2018, 1 April 2019, 30 September 2019, 29 November 2019 and 23 January 2020 (collectively, the “**Announcements**”), and the circular of the Company dated 11 December 2017 (the “**Circular**”) in relation to, among other things, the Further Acquisition. Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as defined in the Announcements and the Circular.

As at the date of this announcement, a separate share purchase agreement has been entered into between the Purchaser and Vendor E for the acquisition of the first tranche of the Subsequent Target Equity Interest (being 3% of the total equity interest of the Project Company) and 50% of the consideration (i.e. RMB55 million) have been settled by the Purchaser to Vendor E. The Parties are in the progress of fulfilling the remaining conditions precedent of the first tranche of the Subsequent Acquisition, in particular the settlement of the remaining 50% of the consideration on or before 30 June 2021.

On 26 February 2021, the Purchaser applied for tender of the acquisition of the second tranche of the Subsequent Target Equity Interest (being 3% of the total equity interest of the Project Company) after having deposited RMB22 million as earnest money to Shenzhen United Property and Share Rights Exchange* (深圳聯合產權交易所) (“**SUPE**”) as per its request. On 3 March 2021, the Purchaser received a notice from SUPE confirming that the Purchaser had successfully tendered for the acquisition of the second tranche of the Subsequent Target Equity Interest. The Parties are in the progress of fulfilling the remaining conditions precedent of the second tranche of the Subsequent Acquisition, in particular the entering into of a separate share purchase agreement to give effect to the second tranche of the Subsequent Acquisition.

* For identification only

It is expected that (i) completion of the first tranche of the Subsequent Acquisition would be delayed to a date falling on or before 30 June 2021; and (ii) the acquisition of the second tranche of the Subsequent Target Equity Interest would be completed on or before 31 December 2021. The Company shall publish further announcement(s) to keep the Shareholders and potential investors of the Company abreast of the latest development of the Subsequent Acquisition.

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

Hong Kong, 31 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 the executive Directors; and Mr. Cheung Ka Fai, Mr. Wu Ying and Mr. Zhu Zhengfu are the independent non-executive Directors.