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**ZALL卓尔智联**

**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)**

**SUPPLEMENTAL ANNOUNCEMENT OF  
AUDITED ANNUAL RESULTS FOR  
THE YEAR ENDED 31 DECEMBER 2021**

Reference is made to the announcement of Zall Smart Commerce Group Ltd. (the “**Company**”) dated 29 April 2022 in relation to the audited annual results of the Company and its subsidiaries for the year ended 31 December 2021 (the “**2021 Audited Annual Results Announcement**”). Unless otherwise specified, capitalised terms used herein shall have the same meanings as those defined in the 2021 Audited Annual Results Announcement.

As disclosed under the paragraphs headed “Material differences between 2021 unaudited and audited annual results” of the 2021 Audited Annual Results Announcement, principal details and reasons for the material differences between the unaudited annual results as set out in the 2021 Unaudited Annual Results Announcement and the audited annual results as set out in the 2021 Audited Annual Results Announcement (the “**Material Differences**”) were presented through extracted consolidated financial information tables of the Company, and supplemented with explanatory notes on pages 30 and 31 of the 2021 Audited Annual Results Announcement (the “**Explanatory Notes**”).

In order to provide shareholders and potential investors with additional information regarding the Material Differences, the Company would like to replace the Explanatory Notes with the following:

“Notes:

1. The change results from the rectification of previous over-recognition of rental income from investment properties of approximately RMB12.4 million, and the subsequent miscellaneous accounting adjustments made on the reclassification of all revenue items by reference to their respective nature.

2. The change results from (i) the reclassification of the provision of legal costs of approximately RMB88.5 million as administrative and other expenses; (ii) the rectification of previous under-recognition of net gain on disposal of subsidiaries of approximately RMB3.6 million; (iii) the rectification of previous over-recognition of net gain on disposal of associates of approximately RMB178.1 million; and (iv) the subsequent miscellaneous accounting adjustments made on the classification of various components of such sub-items (ii) and (iii) herein.
3. The change results from the reclassification of certain expenses with administrative nature of approximately RMB15.7 million as administrative and other expenses.
4. The change results from (i) the said reclassification of the provision of legal costs and expenses with administrative nature of approximately RMB88.5 million and approximately RMB15.7 million respectively as set out in notes 2 and 3 above; and (ii) the reclassification of expected credit losses of approximately RMB14.4 million as impairment loss on financial assets.
5. The changes result from (i) the said reclassification of expected credit losses of approximately RMB14.4 million as set out in note 4 above; and (ii) the renaming and reclassification of impairment loss on trade and other receivables of approximately RMB291.9 million to the impairment loss on financial assets and contract assets entries so as to better reflect its nature.
6. The changes result from the combined effect of that as set out in notes 1 and 2 above.
7. The changes result from the revision of the loss of the year attributable to equity shareholders of the Company as set out in note 6 above.
8. The change results from the adjustment of the fair value loss of financial assets of fair value through other comprehensive income (net of tax) of approximately RMB6.5 million (which was then directly charged to reserve in the unaudited annual results of the Group for the year ended 31 December 2021) to other comprehensive income.
9. The change results from the rectification of previous over-recognition of negative other comprehensive income of an associate of approximately RMB8.2 million.
10. The change results from the reclassification of exchange reserve attributable to an associate of approximately RMB4.4 million as other comprehensive income upon its disposal during the year ended 31 December 2021.
11. The change results from the correction of errors of approximately RMB41.9 million in the calculation of exchange differences.
12. The changes result from the combined effect of that as set out in notes 6, 8, 9, 10 and 11 above.
13. The change results from the removal of the relevant share of interest of approximately RMB20.9 million in an associate which was disposed by the Group during the year ended 31 December 2021.
14. The change results from the revision of exchange difference of approximately RMB0.2 million recognised for the share of interests from joint ventures as at 31 December 2021.
15. The change results from the recognition of the fair value loss of such financial assets of approximately RMB2.5 million for the year ended 31 December 2021.
16. The change results from (i) the reclassification of its balance of approximately RMB18.7 million as amounts due from related parties; (ii) the elimination of intercompany balances of approximately RMB0.8 million as at 31 December 2021; and (iii) the correction of errors in group consolidation process which led to an increase of balance by approximately RMB18.9 million.

17. The change results from the said reclassification of balance of approximately RMB18.7 million from trade and other receivables as set out in note 16 above.
18. The changes result from (i) the reclassification of trade and other payables balances of approximately RMB0.1 million and RMB196.2 million as amounts due to related parties and non-controlling interests and contract liabilities, respectively; and (ii) the elimination of intercompany balances of approximately RMB0.8 million as at 31 December 2021 as set out in note 16 above.
19. The changes result from (i) the said reclassification of trade and other payables balance of approximately RMB0.1 million as set out in note 18 above; and (ii) the renaming of amounts due to related parties of approximately RMB178.3 million to amounts due to related parties and non-controlling interests so as to better reflect its nature.
20. The changes mainly result from (i) the combined effect of that as set out in notes 1, 2, 10, 11, 13, 14, 15 and 16 above; and (ii) an equity transaction of approximately RMB77.8 million for the acquisition of 3% equity interests of Shenzhen Sinoagri E-commerce Co., Ltd., which is a subsidiary of the Company, from non-controlling interests during the year ended 31 December 2021.”

Save as disclosed in this announcement for the replacement of the Explanatory Notes, all other information contained in the 2021 Audited Annual Results Announcement remains unchanged.

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

Hong Kong, 9 June 2022

*As at the date of this announcement, the Board comprises nine members, of which Mr. Yan Zhi, Dr. Gang Yu, Mr. Wei Zhe, David, Mr. Qi Zhiping, Mr. Yu Wei and Mr. Xia Lifeng are the executive Directors; and Mr. Cheung Ka Fai, Mr. Wu Ying and Mr. Zhu Zhengfu are the independent non-executive Directors.*