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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)**

## **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 2022 (the “**2022 Management Accounts**”), it is expected that the total revenue of the Group will remain stable or slightly increase as compared to that of the previous year and the Group may record a net loss of approximately RMB2.8 billion for the year ended 31 December 2022, mainly due to the losses on revaluation of investment properties and disposal of subsidiaries.

Based on the information currently available to the Board, the Board believes that such net loss was mainly attributable to the fact that (i) due to the combined effect of both the COVID-19 pandemic and the downturn of the real estate market, the value of the investment properties held by the Group decreased significantly as compared with that from the previous year, and resulted in the incurrence of revaluation loss on investment properties; (ii) there was a significant decrease in rental income as influenced by the COVID-19 pandemic; (iii) a loss was incurred on the disposal of certain subsidiaries with investment properties by the Group during the year; and (iv) an impairment loss for goodwill for some of the subsidiaries of the Group is expected to be recognised. Excluding the aforementioned revaluation and disposal loss, it is expected that the operating loss of the Group is approximately RMB0.2 billion. The Board believes that, with the gradual recovery of the market and the stabilised operation of the Group’s supply chain management and trading segment, the overall business performance of the Group may improve gradually.

The Company has yet to finalise the annual results of the Group for the year ended 31 December 2022. 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 2022 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 2022 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 2022 is expected to be published by the end of March 2023.

**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 of  
**Zall Smart Commerce Group Ltd.**  
**Yan Zhi**  
*Co-chairman*

Hong Kong, 17 March 2023

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