CSMall Group Limited
金 貓 銀 貓 集 團 有 限 公 司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1815)

PROFIT WARNING AND FURTHER DELAY IN DESPATCH OF CIRCULAR

PROFIT WARNING

This section of this announcement is issued by CSMall Group Limited (the "**Company**", and together with its subsidiaries, the "**Group**") pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "**SFO**").

The board of directors of the Company (the "**Board**", and its members, the "**Directors**") wishes to inform the shareholders of the Company (the "**Shareholders**") and potential investors that, based on the Group's unaudited consolidated management accounts for January to May 2019 and preliminary sales records for June 2019 (both of which have not been confirmed, reviewed or audited by the Company's auditors or audit committee) and other information currently available to the Group, the Group expects to record a material decrease in its net profit attributable to owners of the Company for the six months ended 30 June 2019 ("**1H 2019**") as compared to that for the six months ended 30 June 2018 (the "**Profit Warning Statement**"). Such expected decrease is mainly attributable to the decline in sales volume during 1H 2019.

The Company is in the process of finalizing its interim results for 1H 2019. Detailed financial information and performance of the Group for 1H 2019 will be disclosed in the Company's interim results announcement for 1H 2019 which is expected to be published by the end of August 2019.

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

FURTHER DELAY IN DESPATCH OF CIRCULAR

Reference is made to (i) the announcement jointly issued by the Company and China Silver Group Limited (Stock Code: 815) on 6 May 2019 regarding, among other things, the Issuances, the Specific Mandate and the Whitewash Waiver (the "**Joint Announcement**"); and (ii) the announcement issued by the Company on 24 May 2019 regarding the delay in the despatch of the Circular (the "**First Delay Announcement**"). Unless otherwise defined herein, capitalized terms used in this section of this announcement shall have the same meanings as those defined in the Joint Announcement or (if not defined therein) in the First Delay Announcement.

The Profit Warning Statement is considered to constitute a profit forecast under Rule 10 of the Takeovers Code. As such, the Company is required to comply with the requirements under Rule 10 of the Takeovers Code with respect to the Profit Warning Statement which has to be reported on by the Company's auditors and financial advisers and repeated in full, together with such reports, in the next document to be despatched to the Shareholders, being the Circular. Taking into account (i) the practical difficulties in terms of the additional time required for the preparation of the aforesaid reports by the Company's auditors and financial advisers; and (ii) the requirement for timely disclosure of inside information under Rule 13.09 of the Listing Rules and Part XIVA of the SFO, the Profit Warning Statement does not meet the standard required by Rule 10 of the Takeovers Code. The Company has arranged for the Profit Warning Statement to be reported on in the Circular in accordance with Rule 10 of the Takeovers Code.

It was stated in the First Delay Announcement that the Executive had indicated that it was minded to grant, and an application would be made by the Company to the Executive pursuant to Rule 8.2 of the Takeovers Code for, its consent to an extension of time for the despatch of the Circular to the Shareholders to a date falling on or before 2 July 2019. However, as more time is now required by the Company's auditors and financial advisers to prepare and finalize the aforesaid reports on the Profit Warning Statement and by the Independent Financial Adviser to update its letter of advice in light of the Profit Warning Statement, an application has been made by the Company to the Executive pursuant to Rule 8.2 of the Takeovers Code for, and the Executive has indicated that it is minded to grant, its consent to a further extension of time for the despatch of the Circular to the Shareholders to a date falling on or before 31 July 2019.

Shareholders and potential investors should note that the Profit Warning Statement does not meet the standard required by Rule 10 of the Takeovers Code and has not yet been reported on in accordance with the Takeovers Code. Accordingly, Shareholders and potential investors are advised to exercise caution when placing reliance on the Profit Warning Statement in assessing the merits and demerits of the Issuances, the Specific Mandate and the Whitewash Waiver.

By order of the Board
CSMall Group Limited
Chen He
Chairman

Hong Kong, 2 July 2019

As at the date of this announcement, the executive directors of the Company are Mr. Chen He, Mr. Zhang Jinpeng and Mr. Qian Pengcheng; and the independent non-executive directors of the Company are Mr. Fu Lui, Mr. Hu Qilin and Mr. Zhang Zuhui.

This announcement, 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 enquiries, confirm that, to the best of their knowledge and belief, the information contained in this announcement 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 announcement misleading.

The Directors jointly and severally accept full responsibility for the accuracy of information contained in this announcement and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.