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China Youzan Limited

中國有贊有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 8083)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting of China Youzan Limited (the “Company”) will be held at 24/F., Admiralty Centre 1, 18 Harcourt Road, Admiralty, Hong Kong at 10:00 a.m. on Tuesday, 12 May 2020 for the following purposes:

1. To consider and approve the following:

“THAT:

- (i) the framework agreement dated 12 March 2020 entered into between Beijing Gaohuitong Commercial Management Co., Ltd. and 杭州有贊科技有限公司 (Hangzhou Youzan Technology Company Limited*) (the “2020 Third Party Payment Services Framework Agreement”) (a copy of which has been produced before the meeting marked “A” and initialed by the chairman of the meeting for identification purpose) and all the transactions contemplated thereunder, be and are hereby approved, confirmed and ratified;
- (ii) the annual caps for the maximum aggregate annual value for the transactions contemplated under the 2020 Third Party Payment Services Framework Agreement for each of the three financial years ending 31 December 2022 as more particularly set out in the Company’s circular to the shareholders of the Company dated 31 March 2020 (the “Circular”) be and are hereby approved, confirmed and ratified; and

(iii) any one director of the Company be and is hereby authorised to do all such things and acts of administrative nature as he may in his discretion consider necessary, expedient or desirable for the purpose of or in connection with the implementation of the 2020 Third Party Payment Services Framework Agreement and the transactions contemplated thereunder, including but not limited to the execution of all such documents under seal where applicable, as he considers necessary or expedient in his opinion to implement and/or give effect to the 2020 Third Party Payment Services Framework Agreement.”

2. To consider and approve the following:

“**THAT** the proposed amendments to paragraph 12 of the share option scheme of the Company adopted on 12 June 2019 (the “Share Option Scheme”) as set out in the Circular and contained in the revised Share Option Scheme, a copy of which is available for inspection as detailed in the Circular and produced to this meeting marked ‘B’ and for identification purposes initialled by the chairman of the meeting, be and are hereby approved, authorised and confirmed and **THAT** any one director of the Company be and is hereby authorized to do all such acts and execute such documents as may be necessary, desirable or expedient in order to give full effect to such amendment to the Share Option Scheme.”

3. To consider and approve the audited financial statements and the reports of the directors and auditors for the year ended 31st December 2019.

4. To re-elect retiring directors and authorise the board of directors to fix their remuneration.

5. To re-appoint auditors of the Company and to authorise the board of directors to fix their remuneration.

As special business, to consider and, if thought fit, to pass the following resolutions as ordinary resolutions of the Company:

6. “**THAT**

(i) subject to paragraph (iii) of this resolution, pursuant to the Rules Governing the Listing of Securities on the GEM (the “GEM Listing Rules”) of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”), the exercise by the directors of the Company during the Relevant Period (as defined below) of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options (including bonds, warrants and debentures convertible into shares) which might require the exercise of such powers be and is hereby generally and unconditionally approved;

- (ii) the approval in paragraph (i) of this resolution shall authorise the directors of the Company during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such powers after the end of the Relevant Period;
- (iii) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the directors of the Company pursuant to the approval in paragraph (i) of this resolution, otherwise than pursuant to (a) a Rights Issue (as defined below), (b) the exercise of warrants to subscribe for shares of the Company or the exercise of options granted under any ordinary share option scheme adopted by the Company, or (c) an issue of shares of the Company in lieu of whole or part of a dividend on shares of the Company in accordance with the bye-laws of the Company, shall not exceed 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of the passing of this resolution and this approval shall be limited accordingly; and
- (iv) for the purpose of this resolution:

“Relevant Period” means the period from the date of this resolution until whichever is the earliest of:

- (a) the conclusion of the next annual general meeting of the Company;
- (b) the expiration of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company or the Company Act 1981 of Bermuda (amended) or any applicable laws to be held; and
- (c) the date on which the authority sets out in this resolution is revoked or varied by an ordinary resolution in general meeting.

“Rights Issue” means offer of shares of the Company open for a period fixed by the directors of the Company to holders of shares on the register of members of the Company on a fixed record date in proportion to their then holdings of such shares as at that date (subject to such exclusions or other arrangements as the directors of the Company may deem necessary or expedient in relation to overseas shareholders or fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of, any recognised regulatory body or any stock exchange in any territory outside Hong Kong).”

7. **“THAT**

- (i) subject to paragraph (ii) of this resolution, the exercise by the directors of the Company during the Relevant Period (as defined below) of all powers of the Company to repurchase issued shares in the capital of the Company on GEM or any other stock exchange on which the securities of the Company may be listed and recognized by the Securities and Futures Commission of Hong Kong and the Stock Exchange for such purpose, subject to and in connection with all applicable laws and/or the requirements of the Rules Governing the Listing of Securities on GEM or of any other stock exchange as amended from time to time, be and the same is hereby generally and unconditionally approved;
- (ii) the aggregate nominal amount of shares of the Company which the Company is authorised to repurchase pursuant to the approval in paragraph (i) of this resolution shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of the passing of this resolution, and this approval shall be limited accordingly; and
- (iii) for the purpose of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:

- (a) the conclusion of the next annual general meeting of the Company;
- (b) the expiration of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company or the Company Act 1981 of Bermuda (as amended) or any applicable laws to be held; and
- (c) the date on which the authority sets out for this resolution is revoked or varied by an ordinary resolution in general meeting.”

8. **“THAT** conditional upon ordinary resolutions nos. 6 and 7 above being passed, the aggregate nominal amount of shares of the Company which are repurchased by the Company under the authority granted to the directors of the Company as mentioned in ordinary resolution no. 7 above shall be added to the aggregate nominal amount of share capital that may be allotted or agreed conditionally or unconditionally to be allotted by the directors of the Company pursuant to ordinary resolution no. 6 above.”

9. “**THAT** the existing scheme mandate limit in respect of the granting of options to subscribe for shares of the Company (the “Shares”) under the existing share option scheme adopted by the Company on 12 June 2019 (the “Share Option Scheme”) provided that the total number of Shares which may be allotted and issued upon exercise of the options to be granted under the Share Option Scheme shall not exceed 10 per cent of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing this resolution (the “Refreshed Limit”) and subject to the Listing Committee of the Stock Exchange granting the listing of and permission to deal in the Shares to be issued pursuant to the exercise of the options to be granted under the Refreshed Limit and in compliance with the GEM Listing Rules, the directors of the Company be and are hereby authorised, at their absolute discretion, to grant options and to allot and issue Shares pursuant to the exercise of any options up to the Refreshed Limit.”

By order of the Board
China Youzan Limited
Guan Guisen
Chairman

Hong Kong, 31 March 2020

Head Office and Principal Place of Business:

Unit 2708, 27/F.

The Center

99 Queen’s Road Central

Hong Kong

Notes:

1. Any member entitled to attend and vote at the AGM is entitled to appoint one or more separate proxies to attend and vote instead of him/her. If more than one proxy is so appointed, the appointment shall specify the number and class of shares in respect of which each such proxy is so appointed. A proxy need not be a member of the Company.
2. Where there are joint holders of any share, any one of such persons may vote at the AGM, either personally or by proxy, in respect of such share as if he/she were solely entitled thereto, provided that if more than one of such joint holders be present at the AGM personally or by proxy, the person whose name stands first in the register in respect of such share shall alone be entitled to vote in respect thereof.
3. The register of members of the Company will be closed from Thursday, 7 May 2020 to Tuesday, 12 May 2020, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for attending and voting at the AGM, unregistered holders of Shares of the Company should ensure that all completed transfer forms accompanied by the relevant share certificates must be lodged with the Company’s Share Registrar, Computershare Hong Kong Investor Services Limited, at 17M/F, Hopewell Centre, 183 Queen’s Road East, Hong Kong, for registration no later than 4:30 p.m. on Wednesday, 6 May 2020.

4. To be valid, a form of proxy in the prescribed form together with the power of attorney or other authority (if any) under which it is signed (or a notarially certified copy thereof) must be deposited at Computershare Hong Kong Investor Services Limited, the share registrar of the Company in Hong Kong, at 17M/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no less than 48 hours before the time schedule for holding the AGM. Delivery of the form of proxy shall not preclude a member of the Company from attending and voting in person at the AGM and any adjourned meeting and, in such event, the instrument appointing a proxy shall be deemed to be revoked.
5. An explanatory statement containing further details regarding ordinary resolutions nos. 6 to 8 as required by the Rules Governing the Listing of Securities on GEM is set out in appendix II to the circular of the Company dated 31 March 2020.
6. Particulars of the retiring directors are set out in appendix III to the circular of the Company dated 31 March 2020.
7. A form of proxy for use in connection with the AGM is enclosed with the circular of the Company dated 31 March 2020. Such form is also published on the website of GEM at www.hkgem.com and on the Company's website at www.chinayouzan.com.
8. As at the date of this notice, the Board comprises seven executive Directors, namely Mr. Guan Guisen, Mr. Cao Chunmeng, Mr. Yan Xiaotian, Mr. Zhu Ning, Mr. Cui Yusong, Mr. Yu Tao and Ms. Ying Hangyan; and four independent non-executive Directors, namely Dr. Fong Chi Wah, Mr. Gu Jiawang, Mr. Xu Yanqing and Mr. Deng Tao.

This notice, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM 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 notice 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 notice misleading.

This notice will remain on the "Latest Company Announcements" page of the GEM website for at least 7 days from the date of its posting and on the Company's website at www.chinayouzan.com.