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China Youzan Limited

中國有贊有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 8083)

INSIDE INFORMATION – MOU IN RELATION TO A PROPOSED SUBSCRIPTION AND POSSIBLE CONNECTED TRANSACTION

This announcement is made by the Company pursuant to Rule 17.10 of the GEM Listing Rules and the Inside Information Provisions (as defined under the GEM Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The Board wishes to announce that on 11 May 2020 (after trading hours), the MOU was entered into between the Company and the Target Company in respect of the Proposed Subscription by the Company of the New Aiguang Shares, being approximately 10% equity interests in the Target Company. The MOU is non-legally binding save for certain provisions, including but not limited to confidentiality and exclusivity.

The Proposed Subscription, if materializes, may constitute a connected transaction which is subject to the requirements under the GEM Listing Rules.

The Board wishes to emphasize that no definitive agreement(s) in relation to the Proposed Subscription has been entered into by the Group as at the date of this announcement and the Proposed Subscription may or may not proceed. Further announcement(s) in respect of the Proposed Subscription will be made by the Company in accordance with the applicable requirements of the GEM Listing Rules as and when appropriate.

As the Proposed Subscription may or may not proceed, Shareholders and potential investors are advised to exercise caution when trading in the Shares.

INTRODUCTION

The Board wishes to announce that on 11 May 2020 (after trading hours), the MOU was entered into between the Company and the Target Company in respect of the Proposed Subscription. The MOU is non-legally binding save for certain provisions, including but not limited to confidentiality and exclusivity.

THE MOU

The MOU sets out certain preliminary understandings of the parties in principle, which are subject to further negotiation and execution of definitive agreements, for the Proposed Subscription by the Company of the New Aiguang Shares. The material terms of the MOU are summarized below:

Date

11 May 2020

Parties

- (a) the Company, as the proposed subscriber; and
- (b) the Target Company, as the proposed vendor. The Target Company is controlled by Mr. Zhu Ning, a director and connected person of the Company.

Assets to be acquired

The Company intends to subscribe approximately 10% equity interests of the Target Company. To the best knowledge of the Company, a company controlled by Mr. Zhu Ning (which is not a member of the Group) intends to subscribe approximately 10% equity interests in the Target Company simultaneously at the time of executing the Proposed Subscription.

Information of the Target Group

The Target Group is principally engaged in the live streaming business which facilitates product promotion for live streamers on e-commerce platform.

Consideration

The consideration payable for the Proposed Subscription and manner of settlement have not yet been finalized and are subject to further negotiation and execution of definitive agreements.

GEM LISTING RULES IMPLICATION

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The Proposed Subscription, if materializes, may constitute a connected transaction which is subject to the requirements under the GEM Listing Rules.

GENERAL

The Board wishes to emphasize that no definitive agreement(s) in relation to the Proposed Subscription has been entered into by the Group as at the date of this announcement and the Proposed Subscription may or may not proceed. Further announcement(s) in respect of the Proposed Subscription will be made by the Company in accordance with the applicable requirements of the GEM Listing Rules as and when appropriate.

As the Proposed Subscription may or may not proceed, Shareholders and potential investors are advised to exercise caution when trading in the Shares.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions have the following meanings:

“Board”	the board of Directors
“Company”	China Youzan Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on GEM
“connected person(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Director(s)”	the director(s) of the Company
“GEM”	the GEM of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the GEM
“Group”	the Company together with its subsidiaries
“MOU”	a memorandum of understanding dated 11 May 2020 entered into between the Company and the Target Company in respect of the Proposed Subscription
“New Aiguang Shares”	approximately 10% equity interests in the Target Company
“Proposed Subscription”	Proposed Subscription by the Company of the New Aiguang Shares
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	the Stock Exchange of Hong Kong Limited

“Target Company” 杭州愛逛網絡信息服務有限公司 (Hangzhou Aiguang Network Information Service Co., Ltd.*), a limited liability company established under the laws of the PRC

“Target Group” the Target Company and its subsidiaries

By order of the Board
China Youzan Limited
Guan Guisen
Chairman

Hong Kong, 11 May 2020

As at the date of this announcement, 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 announcement, 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 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.

This announcement 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.

If there is any inconsistency in this announcement between the English and Chinese versions, the English versions shall prevail.

* *For identification purpose only and should not be regarded as the official English translation of the Chinese names. In the event of any inconsistency, the Chinese name prevails.*