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# China Youzan Limited

中國有贊有限公司

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 8083)**

## **(1) CONTINUING CONNECTED TRANSACTION – SUPPLEMENTAL LOAN AGREEMENT 2022**

**AND**

## **(2) DISCLOSEABLE AND CONNECTED TRANSACTION – GRANT OF YOUZAN TECHNOLOGY SHARES AND ANTI-DILUTION ISSUE BY A NON-WHOLLY OWNED SUBSIDIARY**

### **SUPPLEMENTAL LOAN AGREEMENT 2022**

Reference is made to the announcement of the Company dated 27 April 2019 in relation to, among others, the Previous Loan Agreement, and the announcement of the Company dated 31 December 2021 in relation to the Loan Agreement 2022, pursuant to which the Company conditionally agreed to extend the term of the Previous Loan Agreement for three years for an unsecured loan facility up to HK\$480 million, subject to the terms and conditions set out therein. The Previous Annual Caps in respect of the transactions contemplated under the Loan Agreement 2022 for each of the three years ending 31 December 2024 was HK\$480 million, HK\$480 million and HK\$480 million, respectively. On 27 April 2022, the Company entered into the Supplemental Loan Agreement 2022 with Youzan Technology, pursuant to which the parties have conditionally agreed to revise the Previous Annual Caps to HK\$900 million, HK\$900 million and HK\$900 million for each of the three years ending 31 December 2024, respectively.

## **GRANT OF YOUZAN TECHNOLOGY SHARES AND ANTI-DILUTION ISSUE BY A NON-WHOLLY OWNED SUBSIDIARY**

On 27 April 2022, Youzan Technology, a non-wholly owned subsidiary of the Company, resolved to conditionally grant (i) approximately 84.4 million Youzan Technology Shares to Whitecrow Investment; and (ii) approximately 91.1 million Youzan Technology Shares to the Company (which will occur on an inter-conditional basis to maintain the Company's interest in Youzan Technology at approximately 51.90%).

Upon Completion, Whitecrow Investment will hold approximately 14.23% and the Company will continue to hold approximately 51.90% of the total issued shares of Youzan Technology, which will remain as a non-wholly owned subsidiary of the Company.

## **IMPLICATIONS UNDER THE GEM LISTING RULES**

### **Supplemental Loan Agreement 2022**

Youzan Technology is a non-wholly owned subsidiary of the Company which is owned as to 51.90% by the Company. Whitecrow Investment is a substantial Shareholder of the Company and it holds more than 10% in Youzan Technology as at the date of this announcement. Therefore, Youzan Technology is a connected subsidiary and hence a connected person of the Company under Rule 20.07(5) of the GEM Listing Rules.

In respect of the proposed Revised Annual Caps under the Supplemental Loan Agreement 2022, as one or more applicable percentage ratio(s) (as defined in Rule 19.07 of the GEM Listing Rules) (other than the profits ratio) with respect to the transactions contemplated under the Supplemental Loan Agreement 2022 is more than 25% and the proposed Revised Annual Caps in respect of the transactions contemplated under the Supplemental Loan Agreement 2022 are expected to be more than HK\$10,000,000, the transactions contemplated under the Supplemental Loan Agreement 2022 will be subject to the reporting, annual review, announcement and Independent Shareholders' approval requirements under Chapter 20 of the GEM Listing Rules.

The Company will seek approval from the Independent Shareholders for the Supplemental Loan Agreement 2022 and the proposed Revised Annual Caps thereto at the SGM.

## **Grant of Youzan Technology Shares and Anti-dilution Issue**

As at the date of this announcement, Whitecrow Investment is 100% beneficially owned by Mr. Zhu Ning, a Director and substantial Shareholder of the Company. Therefore, Whitecrow Investment is a connected person of the Company and the Grant of Youzan Technology Shares constitutes a connected transaction of the Company under Chapter 20 of the GEM Listing Rules. As the Grant of Youzan Technology Shares constitutes a non-exempted connected transaction for the Company, it is, therefore, subject to the reporting, announcement, circular, independent financial advice and Shareholders' approval requirements under Chapter 20 of the GEM Listing Rules.

Further, as one or more of the applicable percentage ratios (as defined in the GEM Listing Rules) of the Grant of Youzan Technology Shares and the Anti-dilution Issue, when aggregated, is more than 5% but less than 25%, the transactions contemplated under the Share Award Agreement and the Anti-dilution Issue Agreement constitute a discloseable transaction of the Company and are subject to the reporting and announcement requirements pursuant to Chapter 19 of the GEM Listing Rules.

## **GENERAL**

An Independent Board Committee comprising all the independent non-executive Directors has been established to advise the Independent Shareholders in relation to (i) the Supplemental Loan Agreement 2022; (ii) the proposed Revised Annual Caps thereto; and (iii) the Grant of Youzan Technology Shares and Anti-dilution Issue. The Independent Financial Adviser has been appointed to advise the Independent Board Committee and the Independent Shareholders of the same.

The SGM will be convened to consider and, if thought fit, to approve, among other matters, (i) the Supplemental Loan Agreement 2022 and the transactions contemplated thereunder; (ii) the proposed Revised Annual Caps in respect of the transactions contemplated under the Supplemental Loan Agreement 2022; and (iii) the Grant of Youzan Technology Shares and the Anti-dilution Issue.

A circular containing, among other matters, (i) further information on the Supplemental Loan Agreement 2022; (ii) the Grant of Youzan Technology Shares contemplated under the Share Award Agreement and the Anti-dilution Issue contemplated under the Anti-dilution Issue Agreement; (iii) a letter from the Independent Board Committee; and (iv) a letter from the Independent Financial Adviser; and (v) the notice convening the SGM and a form of proxy will be despatched to the Shareholders on or before 20 May 2022.

## SUPPLEMENTAL LOAN AGREEMENT 2022

Reference is made to the announcement of the Company dated 27 April 2019 in relation to, among others, the Previous Loan Agreement, and the announcement of the Company dated 31 December 2021 in relation to the Loan Agreement 2022, pursuant to which the Company conditionally agreed to extend the term of the Previous Loan Agreement for three years for an unsecured loan facility up to HK\$480 million, subject to the terms and conditions set out therein. The Previous Annual Caps in respect of the transactions contemplated under the Loan Agreement 2022 for each of the three years ending 31 December 2024 was HK\$480 million, HK\$480 million and HK\$480 million, respectively. On 27 April 2022, the Company entered into the Supplemental Loan Agreement 2022 with Youzan Technology, pursuant to which the parties have conditionally agreed to revise the Previous Annual Caps to HK\$900 million, HK\$900 million and HK\$900 million for each of the three years ending 31 December 2024, respectively.

### Major terms

The principal terms of the Supplemental Loan Agreement 2022 are as follows:

Date	27 April 2022
Lender	The Company
Borrower	Youzan Technology
Revised Loan amount	Not exceeding HK\$900 million at any time every year, inclusive of the principal loan amount and interest.
Proposed Revised Annual Caps	<p>The proposed Revised Annual Caps in respect of the transactions contemplated under the Supplemental Loan Agreement 2022 for each of the three financial years ended 31 December 2024 is HK\$900 million, HK\$900 million and HK\$900 million, respectively.</p> <p>The abovementioned Revised Annual Caps are determined with reference to, among others, the current business plan of Youzan Technology Group.</p>
Conditions precedent	The Supplemental Loan Agreement 2022 shall be effective upon the obtaining of the approval from the Independent Shareholders by the Company in relation to the transactions contemplated under the Supplemental Loan Agreement 2022 in accordance with the GEM Listing Rules.

## **REASONS FOR AND BENEFITS OF ENTERING INTO THE SUPPLEMENTAL LOAN AGREEMENT 2022**

To facilitate Youzan Technology Group's business expansion, which includes product development, marketing and the sales, the Company expects that a HK\$900 million proposed Revised Annual Cap for the Supplemental Loan Agreement 2022 is appropriate, after considering the business development plan of Youzan Technology.

The Directors (excluding the independent non-executive Directors, who will give their opinion based on the recommendations from the Independent Financial Adviser) are of the view that the Supplemental Loan Agreement 2022 has been entered into after arm's length negotiations and are on normal commercial terms and which are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

## **GRANT OF YOUZAN TECHNOLOGY SHARES AND ANTI-DILUTION ISSUE FROM A NON-WHOLLY OWNED SUBSIDIARY**

### **Grant of Youzan Technology Shares**

On 27 April 2022, Youzan Technology, a non-wholly owned subsidiary of the Company, entered into the Share Award Agreement with Whitecrow Investment in relation to the Grant of Youzan Technology Shares. The principal terms of the Share Award Agreement are set out below:

#### ***Parties***

- (i) Whitecrow Investment, as grantee; and
- (ii) Youzan Technology, as issuer.

#### ***Subject matter***

Pursuant to the Share Award Agreement, Youzan Technology conditionally agrees to grant, issue and allot, and Whitecrow Investment conditionally agrees to subscribe for, approximately 84.4 million Youzan Technology Shares at a nominal subscription price of US\$0.00001 per each Youzan Technology Share, which shall be payable by Youzan Technology upon the issuance of the relevant new Youzan Technology Shares to Whitecrow Investment.

### ***Conditions precedent***

The Grant of Youzan Technology Shares shall take place at the Completion Date, subject to, amongst others, the following conditions precedent:

- (i) the obtaining of the approval from the Independent Shareholders by the Company in relation to the transactions contemplated under the Share Award Agreement and the Anti-dilution Issue Agreement in accordance with the GEM Listing Rules; and
- (ii) the passing of all relevant resolutions in respect of the Grant of Youzan Technology Shares by the board of directors of Youzan Technology.

As at the date of this announcement, Whitecrow Investment held approximately 156 million Youzan Technology Shares, representing approximately 10.30% of the issued shares of Youzan Technology. It is expected that upon Completion, Whitecrow Investment will hold approximately 240 million Youzan Technology Shares, representing approximately 14.23% of the issued shares of Youzan Technology as enlarged by the allotment and issue under the Grant of Youzan Technology Shares and Anti-dilution Issue.

### **Anti-dilution Issue**

In order to ensure that there will be no dilution impact to the Company as a result of the Grant of Youzan Technology Shares, Youzan Technology resolved to conditionally issue approximately 91.1 million Youzan Technology Shares to the Company.

On 27 April 2022, Youzan Technology entered into the Anti-dilution Issue Agreement with the Company in relation to the Anti-dilution Issue. The principal terms of the Anti-dilution Issue Agreement are set out below:

### ***Parties***

- (i) The Company, as grantee; and
- (ii) Youzan Technology, as issuer.

## ***Subject matter***

Pursuant to the Anti-dilution Issue Agreement, Youzan Technology conditionally agrees to issue and allot and the Company agrees to subscribe for, approximately 91.1 million Youzan Technology Shares at a nominal subscription price of US\$0.00001 per each Youzan Technology Share, which shall be payable by Youzan Technology upon the issuance of the relevant new Youzan Technology Shares to the Company. The subscription of new Youzan Technology Shares by the Company under the Anti-dilution Issue Agreement will maintain the Company's interest in Youzan Technology at approximately 51.90%.

## ***Conditions precedent***

The Anti-dilution Issue shall take place at the Completion Date, subject to, amongst others, the following conditions precedent:

- (i) the obtaining of the approval from the Independent Shareholders by the Company in relation to the transactions contemplated under the Anti-dilution Issue Agreement and the Share Award Agreement in accordance with the GEM Listing Rules; and
- (ii) the passing of all relevant resolutions in respect of the Anti-dilution Issue by the board of directors of Youzan Technology.

As at the date of this announcement, the Company holds approximately 785.2 million Youzan Technology Shares, representing approximately 51.90% of total issued Youzan Technology Shares. It is expected that upon Completion, the Company will hold approximately 876.3 million Youzan Technology Shares. As a result, the Company will continue to hold approximately 51.90% of the issued shares of Youzan Technology as enlarged by the allotment and issue under the Grant of Youzan Technology Shares and Anti-dilution Issue, and Youzan Technology will remain as a non-wholly owned subsidiary of the Company.

## **Completion**

Completion of each of the Grant of Youzan Technology Shares and the Anti-dilution Issue is inter-conditional upon each other, and it is intended that Completion of both the Grant of Youzan Technology Shares under the Share Award Agreement and the Anti-dilution Issue under the Anti-dilution Issue Agreement will take place simultaneously.

# INFORMATION OF THE GROUP, YOUZAN TECHNOLOGY AND WHITECROW INVESTMENT

## Information about the Group

The Company is an investment holding company. The Group mainly focuses on offering online and offline merchants suites of comprehensive solutions comprising third party payments and variety of SaaS products and comprehensive service through its e-commerce platform, like marketing and customer engagement tools to facilitate the process of transactions between merchants and their customers.

## Information about Youzan Technology

Youzan Technology is an investment holding company. Youzan Technology Group is principally engaged in providing a variety of cloud-based commerce services to merchants through its subscription solutions and merchant solutions. Subscription solutions mainly comprise SaaS products designed for merchants of various industries including Youzan WeiMall (有贊微商城), Youzan Retail (有贊零售), Youzan Chain (有贊連鎖), Youzan Beauty (有贊美業), and Youzan Education (有贊教育). Merchant solutions mainly comprise value-added services offered to merchants to address their online and/or offline operational needs. Through its subscription solutions and merchant solutions, merchants can establish online presence, digitalise critical business operations, integrate online/offline activities, take ownership of and manage their online/offline customer traffic, boost customer acquisition and repeat purchases, and enhance operating efficiency.

## Financial information of Youzan Technology Group

Set out below is the consolidated financial information of Youzan Technology Group:

	<b>For the year ended</b>	
	<b>31 December</b>	
	<b>2021</b>	<b>2020</b>
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Loss before tax	995,374	351,102
Loss after tax	1,123,807	333,016



	<b>As at 31 December</b>	
	<b>2021</b>	<b>2020</b>
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Net (liabilities)/assets	<u>(272,970)</u>	<u>816,528</u>

### **Information about Whitecrow Investment**

Whitecrow Investment is an investment holding company established in the British Virgin Islands with limited liabilities and is principally engaged in the asset management business. As at the date of this announcement, it is 100% beneficially owned by Mr. Zhu Ning.

### **REASONS FOR AND BENEFITS OF THE GRANT OF YOUZAN TECHNOLOGY SHARES AND ANTI-DILUTION ISSUE**

Through the Grant of Youzan Technology Shares, the Company would intend to recognise the extensive contributions of Mr. Zhu Ning (Mr. Zhu Ning being instrumental to the foundation and continued success of Youzan Technology), and to incentivise Mr. Zhu Ning to stay with Youzan Technology to continue to promote the future development of Youzan Technology's business. At the same time, in light of the Anti-dilution Issue mentioned in the above section headed "Anti-dilution Issue", there will be no dilution on the shareholding of the Company in Youzan Technology following the Grant of Youzan Technology Shares under the Share Award Agreement.

Taking into consideration the above factors, the Directors (excluding the independent non-executive Directors, who will give their opinion based on the recommendations from the Independent Financial Adviser) consider that the terms and conditions of the Share Award Agreement are fair and reasonable, on normal commercial terms and in the ordinary and usual course of business and are in the interests of the Company and the Shareholders as a whole.

## **IMPLICATIONS UNDER THE GEM LISTING RULES**

### **Supplemental Loan Agreement 2022**

Youzan Technology is a non-wholly owned subsidiary of the Company which is owned as to 51.90% by the Company. Whitecrow Investment is 100% beneficially owned by Mr. Zhu Ning, a Director, and it holds more than 10% in Youzan Technology as at the date of this announcement. Therefore, Youzan Technology is a connected subsidiary and hence a connected person of the Company under Rule 20.07(5) of the GEM Listing Rules.

In respect of the proposed Revised Annual Caps under the Supplemental Loan Agreement 2022, as one or more applicable percentage ratio(s) (as defined in Rule 19.07 of the GEM Listing Rules) (other than the profits ratio) with respect to the transactions contemplated under the Supplemental Loan Agreement 2022 is more than 25% and the proposed Revised Annual Caps in respect of the transactions contemplated under the Supplemental Loan Agreement 2022 are expected to be more than HK\$10,000,000, the transactions contemplated under the Supplemental Loan Agreement 2022 will be subject to the reporting, annual review, announcement and Independent Shareholders' approval requirements under Chapter 20 of the GEM Listing Rules.

The Company will seek approval from the Independent Shareholders for the Supplemental Loan Agreement 2022 and the proposed Revised Annual Caps thereto at the SGM.

Save for Mr. Zhu Ning (100% beneficially owned of Whitecrow Investment), Mr. Cui Yusong (who is interested in approximately 1.73% in Youzan Technology through V5. Cui Investment Ltd.), Mr. Yu Tao (who holds 8% interest in Youzan Teamwork Inc. which in turn holds 4.42% interest in Youzan Technology) and Ms. Ying Hangyan (who holds 8% interest in Youzan Teamwork Inc. which in turn holds 4.42% interest in Youzan Technology), none of the Directors have a material interest in the transactions contemplated under the Supplemental Loan Agreement 2022 and the proposed Revised Annual Caps in relation thereto and therefore, save for Mr. Zhu Ning, Mr. Cui Yusong, Mr. Yu Tao and Ms. Ying Hangyan, none of the Directors have abstained from voting on the board resolution approving the Supplemental Loan Agreement 2022.

### **Grant of Youzan Technology Shares and Anti-dilution Issue**

As at the date of this announcement, Whitecrow Investment is 100% beneficially owned by Mr. Zhu Ning, a Director. Therefore, Whitecrow Investment is a connected person of the Company and the Grant of Youzan Technology Shares constitutes a connected transaction of the Company under Chapter 20 of the GEM Listing Rules. As the Grant of Youzan Technology Shares constitutes a non-exempted connected transaction for the Company and is, therefore, subject to the reporting, announcement, circular, independent financial advice and Shareholders' approval requirements under Chapter 20 of the GEM Listing Rules.

Further, as one or more of the applicable percentage ratios (as defined in the GEM Listing Rules) of the Grant of Youzan Technology Shares and the Anti-dilution Issue, when aggregated, is more than 5% but less than 25%, the transactions contemplated under the Share Award Agreement and the Anti-dilution Issue Agreement constitute a discloseable transaction of the Company and are subject to the reporting and announcement requirements pursuant to Chapter 19 of the GEM Listing Rules.

In addition, Youzan Technology is also owned as to 1.73% by V5. Cui Investment Ltd., 4.42% by Youzan Teamwork Inc., V5. Cui Investment Ltd. is wholly owned by Mr. Cui Yusong, a Director. Youzan Teamwork Inc. is owned as to 8% by Mr. Zhu Ning, 18% by Whitecrow Investment, 8% by V5. Cui Investment Ltd., 8% by Vulcan Global Holdings Inc. (100% beneficially owned by Mr. Yu Tao), 8% by Elrino Investment Ltd. (100% beneficially owned by Ms. Ying Hangyan), where Mr. Zhu Ning, Mr. Cui Yusong, Mr. Yu Tao and Ms. Ying Hangyan are all Directors. Mr. Zhu Ning, Mr. Cui Yusong, Ms. Ying Hangyan and Mr. Yu Tao had interests in the Grant of Youzan Technology Shares and Anti-dilution Issue by virtue of their respective interests in Youzan Technology and they therefore abstained from voting on the board resolution of the Company on approving the Share Award Agreement, the Anti-dilution Issue Agreement and the transactions contemplated thereunder. Save as disclosed, none of the Directors had any material interest in the Share Award Agreement, the Anti-dilution Issue Agreement and none were required to abstain from voting on the board resolution of the Company in respect of the Share Award Agreement and the Anti-dilution Issue Agreement.

## **GENERAL**

An Independent Board Committee comprising all the independent non-executive Directors has been established to advise the Independent Shareholders in relation to the Supplemental Loan Agreement 2022, the proposed Revised Annual Caps thereto, the Grant of Youzan Technology Shares and the Anti-dilution Issue. The Independent Financial Adviser has been appointed to advise the Independent Board Committee and the Independent Shareholders of the same.

The SGM will be convened to consider and, if thought fit, to approve, among other matters, (i) the Supplemental Loan Agreement 2022 and the transactions contemplated thereunder; (ii) the proposed Revised Annual Caps in respect of the transactions contemplated under the Supplemental Loan Agreement 2022; and (iii) the Grant of Youzan Technology Shares and the Anti-dilution Issue.

A circular containing, among other matters, (i) further information on the Supplemental Loan Agreement 2022; (ii) the Grant of Youzan Technology Shares contemplated under the Share Award Agreement and the Anti-dilution Issue contemplated under the Anti-dilution Issue Agreement; (iii) a letter from the Independent Board Committee; (iv) a letter from the Independent Financial Adviser; and (v) the notice convening the SGM and a form of proxy will be despatched to the Shareholders on or before 20 May 2022.

## DEFINITIONS

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

“Anti-dilution Issue”	the issue and allotment of approximately 91.1 million Youzan Technology Shares to the Company pursuant to the Anti-dilution Issue Agreement
“Anti-dilution Issue Agreement”	the agreement in relation to the Anti-dilution Issue entered into between Youzan Technology and the Company dated 27 April 2022
“Board”	the board of Directors
“Company”	China Youzan Limited, a company incorporated in Bermuda with limited liability, the issued Shares of which are listed on the GEM
“Completion”	completion of the Grant of Youzan Technology Shares in accordance with the terms and conditions of the Share Award Agreement and the Anti-dilution Issue in accordance with the terms and conditions of the Anti-dilution Issue Agreement
“Completion Date”	the date of Completion
“Director(s)”	the director(s) of the Company
“GEM”	GEM operated by the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Grant of Youzan Technology Shares”	the grant of approximately 84.4 million Youzan Technology Shares to Whitecrow Investment pursuant to the Share Award Agreement
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

“Independent Board Committee”	an independent committee of the Board, comprising the independent non-executive Directors
“Independent Financial Adviser”	First Shanghai Capital Limited, a corporation licensed to carry out business in Type 6 (advising on corporate finance) regulated activity under the SFO, and is the independent financial adviser appointed to advise the Independent Board Committee and the Independent Shareholders in relation to the Supplemental Loan Agreement 2022, the proposed Revised Annual Caps thereto, the Grant of Youzan Technology Shares contemplated under the Share Award Agreement and the Anti-dilution Issue under the Anti-dilution Issue Agreement
“Independent Shareholders”	the Shareholders other than Whitecrow Investment and its associates and those Shareholders who have material interest in the Supplemental Loan Agreement 2022, the Grant of Youzan Technology Shares contemplated under the Share Award Agreement and the Anti-dilution Issue under the Anti-dilution Issue Agreement
“Loan Agreement 2022”	the loan agreement entered into between the Company and Youzan Technology dated 31 December 2021
“PRC”	the People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Previous Annual Caps”	the proposed annual caps in respect of the transactions contemplated under the Loan Agreement 2022 for each of the three years ending 31 December 2024 being HK\$480 million, HK\$480 million and HK\$480 million, respectively
“Previous Loan Agreement”	the loan agreement entered into between the Company and Youzan Technology on 8 April 2017 (as supplemented by a supplemental agreement dated 29 November 2017)
“Revised Annual Caps”	the proposed revised annual caps in respect of the transactions contemplated under the Supplemental Loan Agreement 2022 for each of the three years ending 31 December 2024 being HK\$900 million, HK\$900 million and HK\$900 million, respectively
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended or supplemented from time to time

“SGM”	a special general meeting of the Shareholders to be convened to consider and if thought fit, approve, among other things, the necessary resolutions for the Supplemental Loan Agreement 2022 and the Share Award Agreement
“Shareholder(s)”	holder(s) of the Share(s)
“Share Award Agreement”	the agreement in relation to the Grant of Youzan Technology Shares entered into between Whitecrow Investment and Youzan Technology dated 27 April 2022
“Share(s)”	share(s) of HK\$0.01 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supplemental Loan Agreement 2022”	the supplemental loan agreement entered into between the Company and Youzan Technology dated 27 April 2022
“Whitecrow Investment”	Whitecrow Investment Ltd., a company incorporated in the British Virgin Islands with limited liability and is 100% beneficially owned by Mr. Zhu Ning
“Youzan Technology”	Youzan Technology Inc. (有贊科技有限公司), previously known as Qima Holdings Ltd., a company incorporated in the Cayman Islands with limited liability
“Youzan Technology Group”	Youzan Technology and its subsidiaries
“Youzan Technology Shares”	share(s) of US\$0.00001 per share each in the share capital of Youzan Technology
“%”	per cent

By Order of the Board  
**China Youzan Limited**  
**Yu Tao**  
*Executive Director*

Hong Kong, 27 April 2022

*As at the date of this announcement, the Board comprises four executive Directors, Mr. Zhu Ning, Mr. Cui Yusong, Mr. Yu Tao and Ms. Ying Hangyan; and three independent non-executive Directors, Dr. Fong Chi Wah, Mr. Deng Tao and Mr. Li Shaojie.*

*This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited 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 Listed Company Information” page of the GEM website for at least 7 days from the date of its publication and on the Company’s website at [www.chinayouzan.com](http://www.chinayouzan.com).*