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China Youzan Limited

中國有贊有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 8083)

GRANT OF SHARE OPTIONS

This announcement is made by China Youzan Limited (the “**Company**”) pursuant to Rule 23.06A of the Rules Governing the Listing of Securities on GEM (the “**GEM Listing Rules**”) of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

The board (the “**Board**”) of directors (the “**Directors**”, and each a “**Director**”) of the Company (together with its subsidiaries, the “**Group**”) hereby announces that on 20 January 2023, the Company offered to grant 14,450,000 share options (the “**Options**”) to 36 eligible participants (the “**Grantees**”) to subscribe for ordinary shares of HK\$0.01 each in the share capital of the Company (the “**Shares**”) under the share option scheme adopted by the Company on 12 June 2019 (the “**Share Option Scheme**”) and the scheme mandate limit under the Share Option Scheme as refreshed on 12 May 2020, subject to the acceptance of the Options by the Grantees.

A summary of the grant of the Share Options is set out below:

Date of grant : 20 January 2023 (the “**Date of Grant**”)

Number of Options granted : 14,450,000 Options (each Option shall entitle the Grantees to subscribe for one Share)

- Exercise price for each Share Option : HK\$0.385 per Share, which is higher than:
- (i) HK\$0.270, being the closing price of the Shares as stated in the daily quotations sheet issued by the Stock Exchange on the Date of Grant.
 - (ii) HK\$0.266, being the average of the closing prices of the Shares as stated in the daily quotations sheet issued by the Stock Exchange for the five business days immediately preceding the Date of Grant.
- Validity period of the Options : The Options shall be valid for 5 years commencing from the Date of Grant.
- Vesting period of the Options : 100% of Options granted shall be vested to the Grantees on 20 January 2024.
- Performance target and clawback mechanism : There is no performance target nor clawback mechanism attached to the Options.

The purpose of the Share Option Scheme is to motivate and retain the grantees by allowing them to enjoy the results of the Group attained through their efforts and contributions to the Group.

Having considered that (i) the Grantees are either Directors or employees of the Group who will contribute directly to the overall business performance, sustainable development and/or good corporate governance of the Group; and (ii) the Options are subject to certain vesting conditions and terms of the Share Option Scheme, which already covers situations where the Options will lapse in the event that the Grantees cease to be Directors or employees of the Group, the remuneration committee of the Company and the Board believe that without additional performance target and clawback mechanism, the grant of the Options could align the interests of the Grantees with that of the Company and the Shareholders, provide incentive to the Grantees to devote to the future continuous competitiveness, results of operation and growth of the Company, and reinforce their commitment to long term services of the Company, which is in line with the purpose of the Share Option Scheme.

All the Grantees are either Directors or employees of the Group. Among the Options granted above, 4,000,000 Options were granted to the following Directors and chief executive:

Name	Position	Number of Options granted
Zhu Ning	Executive Director and chief executive officer	1,000,000
Cui Yusong	Executive Director	1,000,000
Yu Tao	Executive Director	1,000,000
Ying Hangyan	Executive Director	1,000,000

The grant of the Options to the above Directors and the chief executive has been approved by the independent non-executive Directors in accordance with Rule 23.04(1) of the GEM Listing Rules.

Save as disclosed above, none of the Grantees is (i) a Director, chief executive or substantial shareholder of the Company or an associate (as defined under the GEM Listing Rules) of any of them; (ii) a participant with options granted and to be granted exceeding the 1% individual limit under Rule 23.03D of the GEM Listing Rules; or (iii) a related entity participant or service provider with options granted and to be granted in any 12-month period exceeding 0.1% of the issued Shares, as at the date of this announcement.

After the grant of the Options, the number of Shares available for future grant under the Share Option Scheme is 1,682,580,761.

By Order of the Board
China Youzan Limited
Zhu Ning
Chairman

Hong Kong, 20 January 2023

As at the date of this announcement, the Board comprises four executive Directors, namely Mr. Zhu Ning, Mr. Cui Yusong, Mr. Yu Tao and Ms. Ying Hangyan; and three independent non-executive Directors, namely 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 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 Stock Exchange's website at www.hkexnews.hk on the "Latest Listed Company Information" page for at least 7 days from the date of its publication and on the Company's website at www.chinayouzan.com.