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China Youzan Limited

中國有贊有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 8083)

SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO THE ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

Reference is made to the annual report of China Youzan Limited (the “**Company**”) for the year ended 31 December 2022 dated on 23 March 2023 (the “**2022 Annual Report**”). Unless otherwise specified, capitalised terms used herein shall have the same meanings as those defined in the 2022 Annual Report.

This announcement is made to provide supplemental information to the 2022 Annual Report.

SHARE AWARD SCHEME

As disclosed in the announcement of the Company dated 31 May 2018, the Company adopted the Share Award Scheme (the “**Scheme**”) on 31 May 2018. In addition to the information disclosed in the 2022 Annual Report, the Company would like to provide the following supplemental information in relation to the Scheme.

The table below sets out details of share awards granted to various participants/categories of participants (the “**Awarded Shares**”) under the Scheme:

Grantee/ Category	Date of grant	Vesting period	Purchase price	Share awards							
				Unvested Awards as at 1 January 2022	Granted during the year <i>(Note 1 & 2)</i>	Vested during the year <i>(Note 3)</i>	Forfeited/ Lapsed during the year	Cancelled during the year	Unvested Awards as at 31 December 2022		
Five highest paid individuals											
Huan Fang	Second Awards:	15 March 2019		The Award is divided into 4 tranches. The first tranche representing 25% of the awards would be vested when the Selected Participant completing 1 years of continuous service to the Group from the date of first day of employment. The second, third and fourth tranches each represent 25% of the awards, and would be vested after completing the second year, third year and fourth year of continuous service to the Group, respectively.	N/A	8,800,000	-	(8,800,000)	-	-	-
Guan Yu	Sixth Awards:	1 December 2022		Vested on the date of grant.	N/A	-	2,816,000	(2,816,000)	-	-	-
				Subtotal		8,800,000	2,816,000	(11,616,000)	-	-	-
Other employee participants in aggregate											
	First Awards:	18 September 2018		First Awards granted to Selected Participants are divided into 3 tranches. The first tranche representing 50% of the awards would be vested when the Selected Participant completing 2 years of continuous service to the Group from the date of first day of employment. The second and third tranches each represent 25% of the awards, and would be vested after completing the third year and fourth year of continuous service to the Group, respectively.	N/A	9,922,000	-	(9,922,000)	-	-	-
	Second Awards:	15 March 2019		Second Awards is divided into 4 tranches. The first tranche representing 25% of the awards would be vested when the Selected Participant completing 1 year of continuous service to the Group from the date of grant. The second, third and fourth tranches each represent 25% of the awards, and would be vested in the second, third and fourth anniversary from the date of grant, respectively.	N/A	12,614,800	-	(5,057,800)	(7,557,000)	-	-
	Third Awards:	21 August 2019		Third Awards granted to Selected Participants are divided into 3 tranches. The first tranche representing 50% of the awards would be vested when the Selected Participant completing 2 years of continuous service to the Group from the date of first day of employment. The second and third tranches each represent 25% of the awards, and would be vested after completing the third year and fourth year of continuous service to the Group, respectively.	N/A	990,000	-	(704,000)	(286,000)	-	-
	Fourth Awards:	1 July 2020		Fourth Awards granted to Selected Participants are divided into 4 tranches. The first tranche representing 25% of the awards would be vested when the Selected Participant completing 1 year of continuous service to the Group from the date of grant. The second, third and fourth tranches each represent 25% of the awards, and would be vested in the second, third and fourth anniversary from the date of grant, respectively.	N/A	30,545,100	-	(7,800,500)	(8,978,600)	-	13,766,000
	Sixth Awards:	1 April 2022 and 1 December 2022		Fourth Awards granted to Selected Participants are divided into 5 types vesting periods: fully vested on the date of grant, 31 December 2022, 31 March 2023, 30 June 2023 and 30 September 2023.	N/A	-	307,985,640	(297,377,240)	(528,000)	-	10,080,400
				Subtotal		54,071,900	307,985,640	(320,861,540)	(17,349,600)	-	23,846,400
				Total		62,871,900	310,801,640	(332,477,540)	(17,349,600)	-	23,846,400

Notes

1. The Awarded Shares were granted at nil consideration. The fair value of the Awarded Shares granted on 1 April 2022 and 1 December 2022 were HK\$0.157 and HK\$0.184 per Awarded Share, respectively, which was determined based on the market price of the Shares as at the date of grant.
2. The closing price of Shares immediately before the date of grant of the Awarded Shares of 1 April 2022 and 1 December 2022 were HK\$0.162 and HK\$0.174 per Awarded Share, respectively.
3. The weighted average closing price of the Awarded Shares immediately before the dates on which the Awarded Shares were vested during the year ended 31 December 2022 was HK\$0.17.
4. The numbers of share awards available for grant under the Scheme as at 1 January 2022 and 31 December 2022 were 433,186,883 Shares and 139,734,843 Shares, respectively.
5. There is no performance target attached to the Awarded Shares.

During the year ended 31 December 2022, the Remuneration Committee has made recommendation to the Board in relation to the grant of award shares to the grantees who were the employees of the Company (the “**Grantees**”).

Grant of award Shares under the Scheme

During the year ended 31 December 2022, a total of 310,801,640 Awarded Shares were granted to the Grantees under the Scheme. As at the date of the 2022 Annual Report, the total number of shares available for issue under the Scheme was 163,581,243 Shares, representing 0.89% of the total number of issued Shares. The total number of Shares that may be issued in respect of options and awards granted under all schemes of the Company during the year divided by the weighted average number of the Shares in issue during the year is 1.70%.

The following sets forth the supplemental information to the 2022 Annual Report on the Scheme pursuant to rule 23.09 of the GEM Listing Rules.

Major Terms of the Scheme

The major terms of the Scheme are summarised as follows:

(1) Eligible participants

Eligible participants include employee participants of any member of the Group, service providers and related entity participants.

(2) *Vesting Period*

The rules of the Scheme do not prescribe any uniform or specific vesting period for share awards granted thereunder. Subject to the terms and conditions of the Scheme and the fulfillment of all relevant vesting conditions (if any), the awarded shares shall vest in the selected grantee in accordance with a vesting schedule determined at the discretion of the Board.

(3) *Amount payable on application or acceptance of the award and the period within which payment or calls must or may be made or loans for such purposes must be repaid*

None. Selected grantees are not required to make any payment to accept award shares.

(4) *The basis of determining the purchase price of Shares awarded*

Not applicable as there is no purchase price under the Scheme.

(5) *The remaining life of the Scheme*

Subject to any early termination determined by the Board in accordance with the rules of the Scheme, the Scheme is valid and effective for a term of 10 years commencing on its adoption date (i.e. from 31 May 2018 to 30 May 2028). The remaining life of the Scheme shall be approximately 5 years and 2 months, as at the date of the 2022 Annual Report.

Youzan Technology Share Award Plan A

As disclosed in the announcement of the Company dated 6 May 2021, the Company adopted the Youzan Technology Share Award Plan A (the “**Plan A**”) on 6 May 2021. In addition to the information disclosed in the 2022 Annual Report, the Company would like to provide the following supplemental information in relation to the Plan A.

(1) *Purpose of the Plan A*

To recognize the contributions by certain eligible participants and to give incentives thereto in order to retain them for the continual operation and development of the Youzan Technology Inc. and its subsidiaries (“**Youzan Technology Group**”).

(2) *Eligible participants*

Eligible participants include any employee (including directors and members of senior management) of any member of Youzan Technology Group.

(3) Total number of shares available for issue under the Plan A

As of 1 January 2022 and 31 December 2022, 106,428,391 shares of Youzan Technology were available for being granted to eligible participants.

(4) Maximum entitlement of each eligible participant under the Plan A

No maximum entitlement of each eligible participant was set.

(5) Exercisable period under the Plan A

No exercise period for the awarded shares under the Plan A was set.

(6) Vesting Period under the Plan A

The rules of the Plan A do not prescribe any uniform or specific vesting period for share awards granted thereunder.

(7) Amount payable on application or acceptance of the award under the Plan A and the period within which payment or calls must or may be made or loans for such purposes must be repaid

None. Selected grantees are not required to make any payment to accept award shares.

(8) The basis of determining the purchase price of shares awarded

Not applicable as there is no purchase price under the Plan A.

(9) Remaining life of the Plan A

No expiration date for the awarded shares under the Plan A was set.

No share awards have been granted by the Board under the Plan A since its adoption date.

The supplemental information provided in this announcement does not affect other information contained in the 2022 Annual Report. Save as disclosed in this announcement, the contents of the 2022 Annual Report remain unchanged.

By order of the Board
China Youzan Limited
Zhu Ning
Chairman

Hong Kong, 17 November 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.