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China Youzan Limited

中國有贊有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 8083)

PROPOSED CHANGE OF AUDITOR

This announcement is made by the board (the “**Board**”) of directors (the “**Directors**”) of China Youzan Limited (the “**Company**”) pursuant to Rule 17.50(4) of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”).

The Board announces that, considering RSM Hong Kong (“**RSM**”) has been the auditor of the Company since 2010, on the recommendation of the audit committee of the Company (the “**Audit Committee**”), the Board resolved to change the auditor subject to the passing of a special resolution at the special general meeting to be convened by the Company (the “**SGM**”). The Board and the Audit Committee take the view that rotation of auditor complies with good corporate governance practice and will also enhance the independence of the auditor, which is in turn in the best interest of the Company and shareholders of the Company (the “**Shareholders**”) as a whole.

The Board has also resolved, with the recommendation of the Audit Committee and subject to the passing of an ordinary resolution at the SGM, to appoint Ernst & Young as the new auditor of the Company to fill the casual vacancy arising from the departure of RSM and to hold office until the conclusion of the next annual general meeting of the Company.

The Board has confirmed that there is no matter in respect of the proposed change of auditor that needs to be brought to the attention of the Shareholders.

The proposed change of auditor is subject to the approval of the Shareholders at the SGM. A circular containing further information of the proposed change of auditor, together with the notice of the SGM, will be despatched to the Shareholders in due course in accordance with the GEM Listing Rules.

The Company will publish further announcement(s) when the change of auditor has become effective and when the confirmation of RSM as required under the note to Rule 17.50(4) of the GEM Listing Rules is received.

By order of the Board
China Youzan Limited
Guan Guisen
Chairman

Hong Kong, 25 October 2018

As at the date of this announcement, the Board comprises seven executive Directors, 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, 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.