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China Youzan Limited

中國有贊有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 8083)

**(A) FURTHER DELAY IN DESPATCH OF THE CIRCULAR;
AND
(B) RESIGNATION OF INDEPENDENT FINANCIAL ADVISER
RELATING TO
(1) MAJOR AND CONNECTED TRANSACTION IN RELATION TO
THE ACQUISITION OF APPROXIMATELY 48.10% INTEREST IN
YOUZAN TECHNOLOGY; AND
(2) PROPOSED ISSUANCE OF SHARES UNDER SPECIFIC MANDATE;
(3) APPLICATION FOR WHITEWASH WAIVER**

References are made to (a) the announcement of China Youzan Limited (the “**Company**”) dated 23 May 2023 in relation to, among other things, (i) the Acquisition of 48.10% interest in Youzan Technology, (ii) issuance of Shares under Specific Mandate; and (iii) application for Whitewash Waiver (the “**Announcement**”); (b) the announcement of the Company dated 13 June 2023 in relation to the delay in despatch of the Circular (as defined below) (the “**Delay Announcement**”); and (c) the announcement of the Company dated 15 June 2023 in relation to the appointment of the independent financial adviser. Unless otherwise defined, capitalised terms herein shall have the same meanings as those defined in the Announcement.

FURTHER DELAY IN DESPATCH OF THE CIRCULAR

As disclosed in the Announcement and the Delay Announcement, a circular containing, among other things, details of the Sale and Purchase Agreement and transactions contemplated thereunder, the Specific Mandate, the Whitewash Waiver and (if applicable) the possible share award grant under the Youzan Technology Share Award Plan A, a letter from the Independent Board Committee containing its recommendation to the Independent Shareholders and a letter from the independent financial adviser containing their advice to the Independent Board Committee and the Independent Shareholders in respect of the Sale and Purchase Agreement and the transactions contemplated thereunder, the Whitewash Waiver and (if applicable) the possible share award grant under the Youzan Technology Share Award Plan A, and accompanied by the notice of the SGM and the proxy form (the “**Circular**”) is normally required to be despatched to the Shareholders within 15 business days after the publication of the Announcement as required under the Listing Rules or 21 days of the date of the Announcement as required under Rule 8.2 of the Takeovers Code, whichever is earlier (in this case, on or before 13 June 2023). In addition, as disclosed in the Delay Announcement, an application has been made for, and the Executive has granted, a consent for the extension of time for the despatch of the Circular to a date falling on or before 5 July 2023 pursuant to Rule 8.2 of the Takeovers Code.

As further time is needed for (a) preparing and finalizing certain information to be included in the Circular, including but not limited to (i) the accountants’ report of the Youzan Technology Group; (ii) the pro forma financial information in relation to the effect of Completion of the Acquisition; (iii) the indebtedness statement of the Group; and (iv) the updated valuation report in respect of the Sale Shares; and (b) identifying the replacement independent financial adviser as outlined below and preparing the draft letter of advice from the independent financial adviser, an application has been made by the Company to the Executive under Rule 8.2 of the Takeovers Code for the Executive’s consent to further extend the latest date of despatch of the Circular to a date no later than 30 September 2023. The Executive has indicated that it is minded to grant such consent.

Further announcement(s) will be made by the Company on the timing of despatch of the Circular as and when appropriate.

RESIGNATION OF INDEPENDENT FINANCIAL ADVISER

The Company announces that Kingsway Capital Limited has tendered its resignation as the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the Sale and Purchase Agreement and transactions contemplated thereunder, the Specific Mandate and the Whitewash Waiver following its review of the proposed transaction timetable and the difference in opinion in respect of the proposed transaction timetable. The Company is in the course of identifying an appropriate replacement independent financial adviser, and will make further announcement(s) in relation to the appointment of the independent financial adviser in compliance with the GEM Listing Rules and the Takeovers Code.

WARNING

The Completion is subject to satisfaction (or, if applicable, waiver) of all of the conditions to the Sale and Purchase Agreement, therefore the Acquisition may or may not be completed.

Completion of the Acquisition is conditional upon, among other things, the Whitewash Waiver being granted by the Executive and approved by the Independent Shareholders. The Whitewash Waiver may or may not be granted by the Executive and if granted, will, among others things, be subject to (a) the approval by at least 75% of the votes cast by the Independent Shareholders by way of poll in respect of the Whitewash Waiver and (b) more than 50% of the votes cast by the Independent Shareholders by way of poll in respect of the Acquisition, respectively, at the SGM.

Shareholders and potential investors of the Company should exercise caution when dealing in the Shares or other securities of the Company.

By order of the Board
China Youzan Limited
Zhu Ning
Chairman

Hong Kong, 5 July 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.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statements in this announcement misleading.

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.