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Youzan Technology Limited

有贊科技有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code on Main Board: 6051)

(Stock Code on GEM: 8083)

TRANSFER OF LISTING FROM GEM TO THE MAIN BOARD OF THE STOCK EXCHANGE OF HONG KONG LIMITED

Joint Financial Advisors to the Company



This announcement is made by the Company pursuant to Rule 9B.08 of the Main Board Listing Rules.

On 28 October 2025, the Application was made by the Company to the Stock Exchange for the listing of and permission to deal in the Shares on the Main Board by way of the Transfer of Listing pursuant to Chapter 9B of the Main Board Listing Rules.

The Board is pleased to announce that the approval-in-principle for the Transfer of Listing was granted by the Stock Exchange on 8 April 2026.

As at the date of this announcement, save for the following pre-conditions which are expected to be fulfilled on 17 April 2026, being the date of the commencement of dealings in the Shares on the Main Board, all applicable pre-conditions for the Transfer of Listing (including those as set out under Rule 9A.02 of the Main Board Listing Rules) have been fulfilled in relation to the Company and the Shares:

- (a) on the basis that the volume weighted average market capitalisation (within the meaning of Chapter 9B of the Main Board Listing Rules) of the Company over the Relevant Period is approximately HK\$4.60 billion, which is more than HK\$4,000,000,000 as required in Rule 8.05(3) of the Main Board Listing Rules, the Company expects that the volume weighted average market capitalisation of the Company as required in Rule 9B.03(2) of the Main Board Listing Rules can be fulfilled; and

- (b) on the basis that the Company had a daily turnover of its Shares of at least HK\$50,000 on all trading days over the Relevant Period, the Company expects that the daily turnover of its Shares as required in Rule 9B.03(5) of Main Board Listing Rules can be fulfilled.

The last day of dealings in the Shares on GEM (stock code on GEM: 8083) will be on 16 April 2026. It is expected that dealings in the Shares on the Main Board (stock code on the Main Board: 6051) will commence at 9:00 a.m. on 17 April 2026.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the Shares.

INTRODUCTION

This announcement is made by the Company pursuant to Rule 9B.08 of the Main Board Listing Rules.

Reference is made to the announcement issued by the Company dated 28 October 2025 in relation to the submission of the formal application to the Stock Exchange for the Transfer of Listing pursuant to Chapter 9B of the Main Board Listing Rules.

TRANSFER OF LISTING OF THE SHARES FROM GEM TO THE MAIN BOARD

On 28 October 2025, the Application was made by the Company to the Stock Exchange for the listing of and permission to deal in the Shares on the Main Board by way of the Transfer of Listing pursuant to Chapter 9B of the Main Board Listing Rules.

The Board is pleased to announce that the approval-in-principle for the Transfer of Listing was granted by the Stock Exchange on 8 April 2026.

As at the date of this announcement, save for the following pre-conditions which are expected to be fulfilled on 17 April 2026, being the date of the commencement of dealings in the Shares on the Main Board, all applicable pre-conditions for the Transfer of Listing (including those as set out under Rule 9A.02 of the Main Board Listing Rules) have been fulfilled in relation to the Company and the Shares:

- (a) on the basis that the volume weighted average market capitalisation (within the meaning of Chapter 9B of the Main Board Listing Rules) of the Company over the Relevant Period is approximately HK\$4.60 billion, which is more than HK\$4,000,000,000 as required in Rule 8.05(3) of the Main Board Listing Rules, the Company expects that the volume weighted average market capitalisation of the Company as required in Rule 9B.03(2) of Main Board Listing Rules can be fulfilled; and
- (b) on the basis the Company had a daily turnover of its Shares of at least HK\$50,000 on all trading days over the Relevant Period, the Company expects that the daily turnover of its Shares as required in Rule 9B.03(5) of Main Board Listing Rules can be fulfilled.

The last day of dealings in the Shares on GEM (stock code on GEM: 8083) will be on 16 April 2026. It is expected that dealings in the Shares on the Main Board (stock code on the Main Board: 6051) will commence at 9:00 a.m. on 17 April 2026.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the Shares.

REASONS FOR THE TRANSFER OF LISTING

The Board believes that the Transfer of Listing will enhance the corporate profile and public recognition of the Company by virtue of the larger total market capitalisation, higher trading volume, and the considerably higher international recognition associated with the Main Board. The Company considers that the more stringent listing requirements and the corresponding premium status of the Main Board will act as a recognition of the Group's business performance and achievements, which would enhance the Company's ability to attract quality merchants and business partners, seize new business opportunities, and attract and retain talent. The Board also believes a listing on the Main Board would broaden the Company's access to a wider range of financing options and more competitive financing terms and enhance its ability to optimise its overall capital structure.

On the other hand, the Main Board attracts a broad spectrum of active professional, institutional, private and public investors from international to regional and local markets. The Board believes the Transfer of Listing will provide the Company with access to a much broader international investor base, enhancing its investor exposure and international profile, allowing the Company to reach out to and attract institutional and professional investors from a wider spectrum, which in turn can further enhance the shareholder base of the Company. The Transfer of Listing also allows the Shares to be traded on an exchange platform with notably higher liquidity, providing the Shareholders and potential investors with an improved liquidity environment to conduct and realise their investments in the Shares.

On the basis of the foregoing, the Board is of the view that the Transfer of Listing is beneficial to the future growth and development of the Group and is in the overall interests of the Company and the Shareholders.

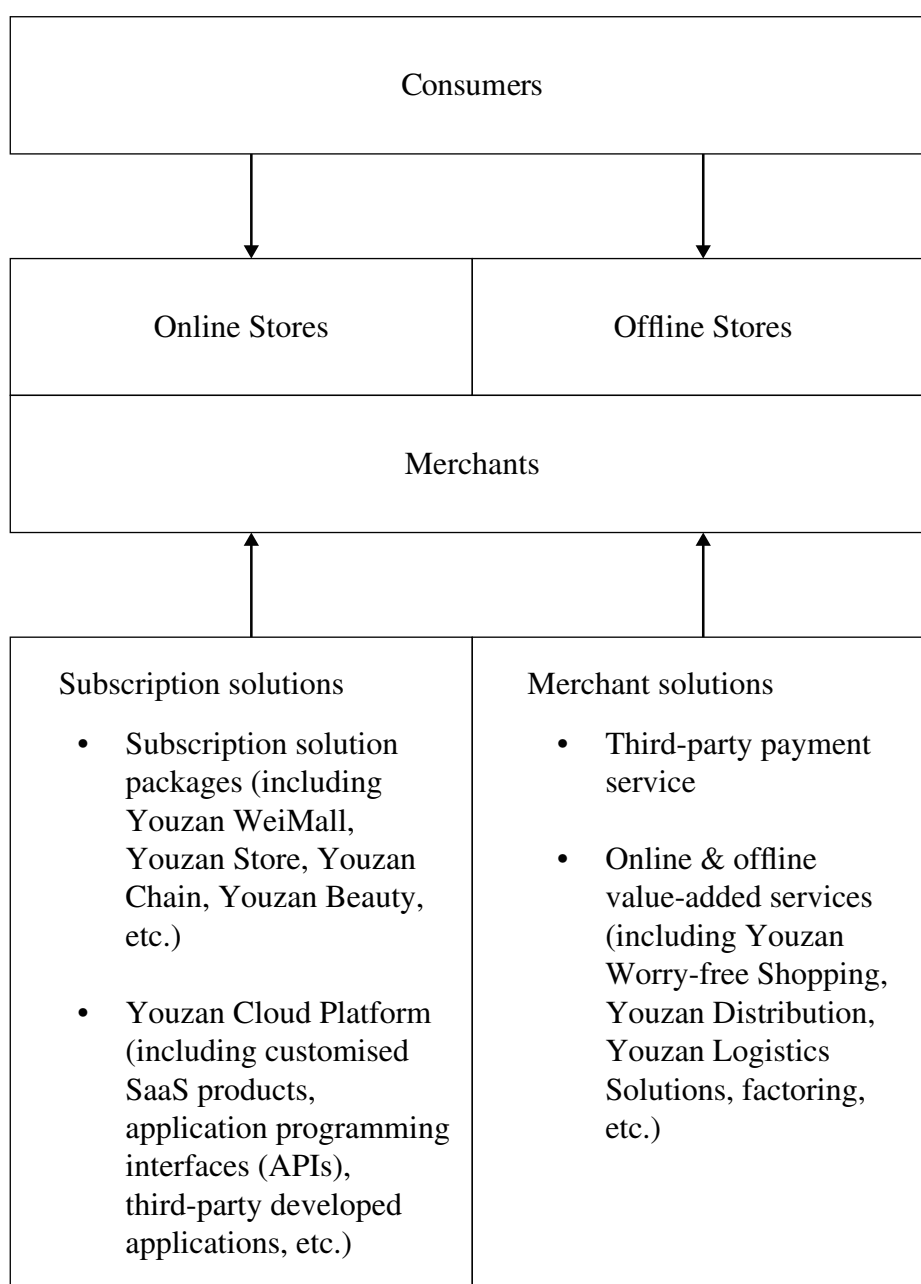
As at the date of this announcement, the Board has no immediate plans to change the principal business of the Group following the Transfer of Listing.

INFORMATION ON THE GROUP

The Group is a cloud-based commerce services provider in the PRC, principally engaged in providing social network-based SaaS systems with multi-channel operations and integrated new retail solutions and PaaS services to create business customisation options while providing series of extended services, with the aim of helping the Group's merchant clients to accumulate customer assets, expand customer base, improve business efficiency, and achieve success in commerce.

Principal Business

The Group’s cloud-based commerce services primarily include subscription solutions and merchant solutions. Merchants subscribing for the Group’s subscription solutions form the backbone of the Group’s customer base, where merchants may choose from a variety of categories and tiers of subscription solution packages embedded with a variety of SaaS products that best suit their business nature and commercial needs. These SaaS products are primarily developed for assisting merchants with store management, promotion management, customer management and data analysis. For these subscribing merchants, they can also enjoy a suite of value-added services offered under the Group’s merchant solutions, which they can elect to subscribe for as and when desired. The Group holds valid value-added telecommunication services license on online data processing and transaction processing services (operational E-commerce) (the “**EDI Licence**”) issued by the Ministry of Industry and Information Technology of the People’s Republic of China (“**MIIT**”) for its provision of subscriptions solutions and merchants solutions. Key descriptions of the Group’s major product offerings under its subscription solutions and merchant solutions are set out below, with brief descriptions on their fee/charge bases.



(a) **Subscription solutions:**

Subscription solutions offer a suite of SaaS products bundled under different solution packages, which can be categorised into e-commerce SaaS (Youzan WeiMall), and store SaaS (mainly include Youzan Store, Youzan Chain and Youzan Beauty). These solution packages are embedded with a variety of prescribed SaaS products and solutions tailored for specific commercial scenarios, where merchants can select the one that most suit their business formats.

Youzan WeiMall is an integrated social-media-based e-commerce solution designed for merchants of all industries operating under various online scenarios. Youzan WeiMall helps merchants build a comprehensive e-commerce management system to capitalise user traffic of leading social media platforms in the PRC, enhance their brand awareness and efficiently improve sales. Youzan WeiMall is used by merchants from a wide array of industries including fashion, food, cosmetics, digital products, garments, healthcare and home appliances, among others.

Youzan Store is a cross-channel, integrated commerce service solution designed for retail merchants with both online and offline operations. It helps retail merchants establish online operations, upgrade their storefront operating systems, and grow sales both online and offline. Youzan Store provides merchants with a one-stop digital solution covering storefront operations, scenario-based marketing, member-based marketing, data-based decision-making, sales channels integration and business coordination with third-party systems.

Youzan Chain is a digital and intelligent commerce service solution designed for merchants with chain or franchise stores. It helps merchants manage multi-layer online and offline storefronts, realise cross-channel sales growth, and achieve operational efficiency through digitalisation.

Youzan Beauty provides an integrated commerce service solution designed for merchants in the beauty industry, such as personal care, hairdressing, body care, dental care and nail art operators to build up their e-commerce storefronts that link up with their offline personalised services. It provides functions such as storefront management, online reservation, commission management, promotion and marketing, membership management, cross-channel management, and data analytics and reporting. Through functionalities that integrate online and offline operations, Youzan Beauty is able to help merchants digitalise storefront management, marketing management, membership management and chain store management.

These solution packages (namely Youzan WeiMall, Youzan Store, Youzan Chain, Youzan Beauty, etc.) are offered for subscription with the choice of different subscription plans (such as basic, professional, flagship, etc.), varying from basic coverage to increasingly comprehensive and/or sophisticated embedded functionalities, where merchants can select the specific subscription plan to subscribe for that best suits their operational and commercial needs. These various subscription plans (under different solution packages) are generally offered with a minimum subscription period of one year, renewable upon expiry. Subscribing merchants are charged lump sum subscription fees which vary depending on the specific solution package and the associated subscription plan they subscribed for. Subscription fees are typically paid in advance, which are generally recognised over time on a rateable basis over the contract term, beginning on the date that the service is made available to the subscribing merchants. The portion that the underlying services have yet to be provided are recognised as “contract liabilities”. In addition, a per-transaction cloud service fee will be charged for every order beyond a pre-set order number threshold that consumers placed with the subscribing merchants through the Group’s solution packages, which are recognised at a point in time when the service is provided.

The Group empowers its products and solutions with third-party generative artificial intelligence (or AI) models to improve the performance and efficiency of these products and solutions in the areas of content generation, intelligent Q&A, and workflow automation, aimed at providing more enhanced support to various operational needs of its subscribing merchants. The Group has completed the required algorithm filing and submitted an application for the large language model registration to the Cyberspace Administration of Zhejiang Province. Based on the foregoing, the Company’s PRC legal counsel is of the view that the Group’s operations are in compliance with the applicable laws and regulations governing the use of artificial intelligence technologies in China in all material respects, including the Administrative Provisions on Algorithm Recommendation of Internet Information Services (《互聯網信息服務算法推薦管理規定》) and the Provisional Measures on AI-Generated Content Services (《生成式人工智能服務管理暫行辦法》).

Leveraging its Youzan Cloud Platform and its PaaS capabilities, the Group also offers customised SaaS products, application programming interfaces (APIs) as well as third-party developed “plug-ins” to subscribing merchants, which are made available on the Youzan App Market, an app store built on the Youzan Cloud Platform. The Group typically charges its subscribing merchants a development fee for customised SaaS products, which are generally payable following completion of development and acceptance by the subscribing merchants, with revenue recognised at a point in time when such customised SaaS products are passed to the relevant merchants. For “plug-ins” developed by third-party developers, the Group typically charges the third-party developer a commission as a percentage of the sales proceeds of the “plug-ins”, which would be recognised as revenue at the point of sales. For APIs offered by the Group (which are made available for use and access through the Youzan Cloud Platform), the Group typically charges users of such APIs a usage-based fee and recognises such fee revenue as and when these APIs are used.

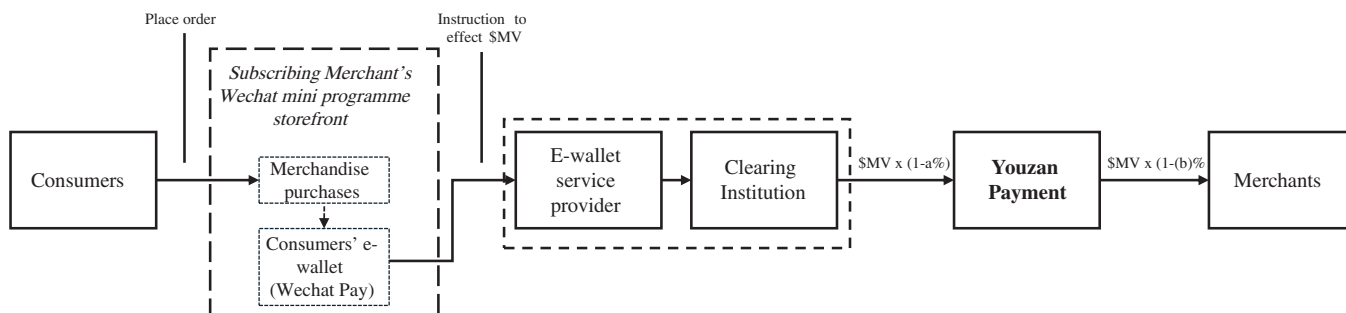
The Group offers its subscription solutions primarily through Hangzhou Youzan Technology Co., Ltd* (杭州有贊科技有限公司) (“**Hangzhou Youzan**”), which holds the EDI Licence.

(b) Merchant solutions

The Group provides its subscribing merchants with a series of value-added services to address their online and/or offline operation needs, which can be categorised into third-party payment service (also known as transaction service), and online/offline value added services such as merchandise sourcing and distribution (Youzan Distribution), logistics arrangements (Youzan Logistics Solutions) and consumer protection (Youzan Worry-free Shopping). These services can be viewed as “selective add-ons” to the Group’s subscription solutions. As they are primarily charged based on usage, subscribing merchants may elect to register for usage as and when needed and be charged according to the Group’s prescribed fee mechanisms. The following sets forth the Group’s main merchant solutions offered to its subscribing merchants and their respective fee/charge mechanisms:

Third-party payment service facilitates merchants (as payees) in accepting, processing and settling consumer merchandise purchases made through online storefronts of subscribing merchants set up in the form of Wechat mini programmes using Wechat Pay (as consumers’ e-wallet) as payment channel. Such third-party payment service is provided via Beijing Youzan Payment Co., Ltd. (formerly known as Beijing Gaohuitong Commercial Management Co., Ltd.) (“**Youzan Payment**”), a wholly-owned subsidiary of the Company with valid payment licence issued by the People’s Bank of China. The Group’s various subscription solution packages typically include enablement functionality (or “**gateway**”) for consumer fund receipts at merchants’ end. Since subscribing merchants’ overall back-end system is already supported by and/or embedded with the Group’s SaaS products, utilising third-party payment service of the Group for settlement of transactions (under Wechat mini programmes) can facilitate smoother system integration and more efficient overall system management.

The following is a simplified depiction of fund flows and fee charges for subscribing merchants using the Group’s third-party payment service:



$\$MV$ = merchandise value

$a\%$ = a prescribed percentage charged by the clearing institution as processing fee (any fee/charge entitled by the e-wallet service provider would be commercial arrangement between the third-party e-wallet service provider and the clearing institution independent of the Group)

$b\%$ = a prescribed percentage charged by the Group to its subscribing merchant as transaction fee for utilising the Group’s third-party payment services, which is inclusive of $a\%$.

As illustrated from the above graphical depiction, the Group charges subscribing merchants utilising its third-party payment service a prescribed transaction fee as a percentage of merchandise value on the one hand (ie., “ $b\%$ ”), and the Group would in turn be charged a prescribed processing fee as a percentage of merchandise value (ie., “ $a\%$ ”) by the clearing institution. When a consumer effects payment of merchandise value (ie., “ $\$MV$ ”) to a subscribing merchant through the e-wallet service provider (i.e. Wechat Pay), the Group would receive from the clearing institution an amount net of the processing fee charged by the clearing institution (ie., “ $\$MV \times (1-a)\%$ ”). The Group would then effect the net proceeds, representing the original merchandise value net of the transaction fee charged by the Group to the subscribing merchant, back to the relevant merchant (ie., “ $\$MV \times (1-b)\%$ ”). Under this operation model, the Group would recognise the total amount deducted from the merchandise value (ie., “ $\$MV \times b\%$ ”) as its transaction fee revenue, and the processing fee deducted by the clearing institution (ie., “ $\$MV \times a\%$ ”) as its corresponding cost of sales.

There exists a specific situation where subscribing merchants of the Group offer the use of an alternative e-wallet from another prominent e-wallet service provider for payment of purchases made on the subscribing merchants' mobile H5 format storefronts. For reason that such alternative e-wallet service provider does not support direct fund transfer to other third-party payment service providers, and in order to assist these subscribing merchants in completing payments in such specific commercial scenario, Hangzhou Qima Technology Co., Ltd. ("**Hangzhou Qima**"), a related party to the Company, has established a fund settlement arrangement in collaboration with selected cooperating banks. Under this arrangement, Hangzhou Qima would act as an intermediary to receive consumer funds, which would be placed in restricted special purpose bank accounts for clearing and settlement purpose (結算專用帳戶), and the cooperating banks would then process relevant fund segregation and direct fund transfer to the corresponding subscribing merchants. While such arrangement is subject to certain compliance risks surrounding unlicensed payment activities in the PRC, the merchandise value of transactions conducted by the Group's subscribing merchants under this specific scenario historically has been very limited and is on a decreasing trend, which amount represented less than 1% of the Group's total merchants GMV in 2025. On the basis that, among other things, the Group is not a direct participant of the payment activities in the above specific scenario, and given the Group has not been subject to any investigation, warning, fine, or administrative penalty by any competent authority in relation to the above arrangement, the Company's PRC legal adviser is of the view that the likelihood of the Group being subject to any penalty for having engaged in unlicensed payment activities is low.

Youzan Worry-free Shopping (previously also referred to as Youzan Guarantee) aims to resolve the problem of insufficient trust between merchants and consumers which leads to low purchase conversion rate. Through Youzan Worry-free Shopping, the Group bookmarks and signifies merchants that have been verified by the "National Enterprise Credit Information System" to enhance consumers' confidence. Youzan Worry-free Shopping aims to boost consumers' confidence in merchants and their products and, in turn, increase the sales for merchants. Subscribing merchants registered for use of Youzan Worry-free Shopping are charged a prescribed percentage of transaction value as usage fee, which would be recognised as revenue upon completion of the associated consumer orders.

Youzan Distribution provides merchants with additional means to facilitate effective and efficient sales and distribution of products. Through Youzan Distribution, merchants who manufacture and supply products (the “**supplying merchant(s)**”) can more effectively and efficiently identify and establish collaborative relationships with merchants who want to distribute such products (the “**distributing merchant(s)**”) in a cost-effective manner, enabling both to expand their sourcing and sales capability. When merchandises are successfully sold by a distributing merchant, the Group would charge the supplying merchant a fee as a prescribed percentage of the transaction value (net of logistics costs and commission paid to the relevant distributing merchant), as well as the distributing merchant a fee as a prescribed percentage of its commission received, and recognise these fees as revenue upon completion of the associated consumer orders.

Youzan Logistics Solutions provides logistics-related services to merchants and their consumers. On the one hand, it enables merchants to request courier services from logistics companies for express delivery, as well as on-demand delivery riders for same-city delivery under the Group’s SaaS products. On the other hand, merchants can offer doorsteps pick-up service to consumers for merchandise return through relevant displayed function on their online storefront powered by the Group’s SaaS products. Merchants subscribing for the Group’s Youzan Logistics Solutions are charged with a prescribed service fee largely on a per-item basis which is recognised upon completion of the associated delivery orders. The Group would in turn pay the relevant third-party logistics service provider a pre-negotiated fee for delivery services rendered (which constitutes part of the Group’s cost of sales).

In addition to the above merchant solutions, the Group also offers factoring services through Shenzhen Youzan Commercial Factoring Company Limited* (深圳有贊商業保理有限公司) (“**Youzan Factoring**”) (formerly known as Guojia Commercial Factoring (Shenzhen) Co., Ltd.* (國佳商業保理(深圳)有限公司)), a wholly-owned subsidiary of the Company approved for conducting factoring business and regulated under the Shenzhen Local Financial Administration Bureau* (深圳市地方金融管理局). The factoring services offered by Youzan Factoring aims to provide funding bridge for merchants subscribing for the Group’s third-party payment service to cover the interim period (generally within 15 days) where payments effected from consumers are held by the Group pending confirmation from consumers for acceptance of merchandise in acceptable quality (implemented as a complementary arrangement for consumer protection). In addition to the above, historically Youzan Factoring had also provided factoring services to other selected factoring companies (which were companies with relevant business scope covering factoring business and subject to the supervision and administration of relevant local Financial Administration Bureau), which has ceased since September 2025. During the period that the Group provided this “sub-factoring” service, the Group had not experienced any bad debt arising therefrom. The Group typically charges a prescribed percentage fee rate against the funds advanced as interest over the period in which the fundings are provided, which are amortised and recognised as revenue over the duration of the funding advance.

Much of the Group's merchant solutions are offered through Hangzhou Youzan, Youzan Payment (holder of the valid payment license for third-party payment service) and Youzan Factoring.

Operating Licenses and Data Security

The Group possesses all necessary licenses and permits to conduct its principal business during the Track Record Period. More specifically, the Group holds (through its subsidiary, Hangzhou Youzan) a valid EDI License issued by the MIIT (with validity up to 29 September, 2030) for its SaaS related business, and (through its subsidiary, Youzan Payment) a valid payment license issued by the People's Bank of China (with validity up to 26 June 2027) for its third-party payment service. As advised by the Company's PRC legal advisor, (i) except for the EDI Licence and the payment licence, the Group (including its subsidiaries) is not required to obtain any other value-added telecommunications business operating licence (including an ICP license) or any other industry specific permit or licence for the business of providing the Group's products or services to merchants and the operations on the website of "youzan.com" in the PRC, and (ii) the Group's businesses (including those requiring the EDI Licence and the payment licence) in the PRC are not subject to any foreign investment restrictions or prohibitions, therefore the Company is not required to hold any economic interests or benefits through structured contracts.

The Company attaches great importance to data security and privacy protection in the operations of its business. The scope of data collected and stored in the course of business operations mainly includes:

- (i) account information (e.g., account numbers and mobile phone numbers);
- (ii) transaction information (e.g., order details, consignee names, addresses and mobile phone numbers);
- (iii) payment information (e.g., merchant identity documents and bank card information); and
- (iv) risk control and security information (e.g., device identifiers, network information and IP addresses).

All data is stored by local cloud service providers in the PRC, and encrypted protection measures are adopted during the entire process of storage and transmission. The Company has obtained the Cybersecurity Classified Protection Level 3 Certificate and established a rigorous data security management mechanism.

The Company has adopted relevant internal policies and procedures to ensure that the collection, storage, use and processing of relevant client data is in compliance with applicable laws and regulations. More particularly, in the provision of SaaS services to merchants, the Group acts solely as a data processor on behalf of subscribing merchants and processes end-consumer personal information strictly in accordance with the subscribing merchants' instructions. The Group does not independently determine the purposes or means of such processing. In other data processing activities where the Group independently determines the purposes and means of processing (such as collecting users' mobile phone numbers during account registration, collecting device information to ensure account security, collecting email addresses when merchants create a store, and collecting user feedback information to provide customer service), it acts as a personal information processor and handles personal data in accordance with applicable laws and regulations and the Group's internal privacy policy.

The Group only collects, uses, stores, and otherwise processes relevant data on the basis of legality, legitimacy, and necessity, and upon the user's authorisation or other lawful grounds prescribed by law. The Group has obtained the requisite consent from its subscribing merchants as well as relevant end-consumers as required by relevant laws and regulations in the PRC for its use and process of relevant personal data. The Group implements a strict data access control mechanism, where only specific employees directly responsible for relevant duties are granted necessary data access rights. All data operations require prior approval and verification, and complete log records and audit trails are maintained for each operation. Subscribing merchants and relevant end-consumers may exercise their data rights through the Group's customer service or by sending an email to the dedicated data compliance department of the Group, where the Group is committed to respond within 15 days of receiving a valid request.

The Group stores data generated from domestic business on our local servers within the PRC. There has been no cross-border data transfer involved in the Group's data processing activities.

During the Track Record Period and up to the end of the Relevant Period, the Company has not experienced any major data breach incidents, received any claims from third parties regarding data rights, nor been subject to any investigations or penalties by relevant government authorities.

Summary of the Company's Financial Information

The following is certain key financial information of the Company on profit and loss, as extracted from the audited consolidated financial statements of the Company for the three years ended 31 December 2023, 2024 and 2025:

	For the year ended 31 December		
	2023	2024	2025
	(audited)	(audited)	(audited)
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Revenue			
– Subscription solutions	838,725	780,638	769,752
– Merchant solutions	605,929	658,215	714,890
– Others ^(Note)	3,722	3,438	2,419
	1,448,376	1,442,291	1,487,061
Gross profit	1,002,145	978,205	984,389
Other income, gains and losses(net)	70,018	15,941	57,804
Selling and distribution expenses	(657,038)	(556,423)	(555,129)
Administrative expenses	(154,949)	(137,864)	(132,053)
Research and development costs	(189,754)	(179,201)	(164,131)
Equity-settled share-based payments	(10,619)	(173,590)	(19,298)
Amortisation of intangible assets	(81,126)	(79,749)	–
Profit/(loss) from operations	(21,323)	(132,681)	171,582
Profit/(Loss) attributable to			
– Owners of the Company	7,429	(176,621)	163,113
– Non-controlling interests	(57,904)	10,772	(106)
	(50,475)	(165,849)	163,007

Note: Includes revenue generated from, among other things, sales of miscellaneous “Youzan” IP products and provision of miscellaneous technical maintenance services.

Non-HKFRS Measure

To supplement its consolidated financial statements presented in accordance with Hong Kong Financial Reporting Standards (“**HKFRS**”), the Company also uses adjusted net profit/(loss) (non-HKFRS measure) and adjusted earnings before interest, tax, depreciation and amortisation (“**Adjusted EBITDA**”) (non-HKFRS measure) as additional financial measures, which are not required by or presented in accordance with HKFRS. The Company believes that the adjusted net profit/(loss) (non-HKFRS measure) and Adjusted EBITDA (non-HKFRS measure) provide useful information to investors and others in understanding and evaluating the consolidated results of the Group’s operations in the same manner as it helps the management. However, the presentation of adjusted net profit/(loss) (non-HKFRS measure) and Adjusted EBITDA (non-HKFRS measure) may not be comparable to similarly titled measures presented by other companies. The use of such non-HKFRS measures have limitations as an analytical tool, and should not be considered in isolation or as a substitute for analysis of the Group’s results of operations or financial conditions reported under HKFRS.

Adjusted net profit/(loss) (non-HKFRS measure) is herewith defined as net profit/(loss) for the year adjusted by adding back equity settled share-based payments, whereas Adjusted EBITDA (non-HKFRS measure) is defined as adjusted net profit/(loss) (non-HKFRS measure) as further adjusted by adding back (i) income tax expense/(credit); (ii) net finance costs; (iii) depreciation of property, plant and equipment; (iv) depreciation of right-of-use assets; and (v) amortisation of intangible assets. The following table sets forth a reconciliation of the adjusted net profit/(loss) (non-HKFRS measure) and Adjusted EBITDA (non-HKFRS measure) from the Company’s net profit/(loss) for each of the three years ended 31 December 2023, 2024 and 2025:

	For the year ended 31 December		
	2023	2024	2025
	(RMB’000)	(RMB’000)	(RMB’000)
Profit/(loss) for the year	(50,475)	(165,849)	163,007
Adjusted for:			
Equity-settled share-based payments ^{Note 1}	10,619	173,590	19,298
Adjusted net Profit/(Loss) (Non-HKFRS measure)	(39,856)	7,741	182,305
Adjusted for:			
Income tax expense/(credit) ^{Note 2}	(2,150)	10,184	3,894
Net finance costs ^{Note 2, 3}	(7,380)	(6,831)	(12,234)
Depreciation of property, plant and equipment ^{Note 2}	9,848	5,050	2,443
Depreciation of right-of-use assets ^{Note 2}	12,077	5,787	7,621
Amortisation of intangible assets ^{Note 2}	81,126	79,749	–
Adjusted EBITDA (Non-HKFRS measure)	53,665	101,680	184,029

Notes:

- Adjusted as it is non-cash in nature.
- Adjusted in accordance with the definition of “earnings before interest, tax, depreciation and amortisation” (ie., EBITDA).
- Net finance costs equal to finance costs less interest income.

Brief Discussion on Financial Performance

Revenue

The Group generates its revenue primarily from the provision of its subscription solutions and merchant solutions. Revenue from subscription solutions primarily include subscription fees for the Group's variety of subscription solution packages, and the per-transaction cloud service fee for each extra order beyond a pre-specified order number threshold that consumers made to the Group's merchant clients through the Group's SaaS products. On the other hand, revenue from merchant solutions mainly includes transaction fee for the Group's third-party payment service and service fees charged for the value-added services offered under merchant solutions. During the three years end 31 December 2025, the Group reported total revenue of RMB1,448.4 million, RMB1,442.3 million and RMB1,487.1 million, of which revenue from subscription solutions contributed RMB838.7 million (57.9%), RMB780.6 million (54.1%) and RMB769.8 million (51.8%), while revenue from merchant solutions contributed RMB605.9 million (41.8%), RMB658.2 million (45.6%) and RMB714.9 million (48.1%).

Given the nature of the Group's revenue composition, operational indicators such as number of subscribing merchants, types of packages and services they subscribe and their gross merchandise value (GMV) are all considered significant indicators for the Group's revenue performance. The following table sets forth certain key indicators for the Group's revenue performance during the Track Record Period:

	Year ended 31 December		
	2023	2024	2025
No. of subscribing merchants as at end of year	63,512	55,833	52,809
No. of new subscribing merchants for the year	21,851	18,389	18,068
Attrition rate (note 1)	50%	41%	38%
GMV (RMB'000)	102,500,000	102,800,000	103,000,000
ARPU (RMB) (note 2)	22,805	25,832	28,159
– Subscription solutions	13,206	13,982	14,576
– Merchant solutions	9,540	11,789	13,537
Unearned subscription fees as at end of year (ie., contract liabilities) (RMB'000)	645,066	644,520	673,985

Notes:

1. Attrition rate is calculated as number of non-renewed merchants during the year divided by total number of subscribing merchants at the end of last year. The number of non-renewed merchants is calculated as the number of subscribing merchants at beginning of the year plus the number of new subscribing merchants during the year minus the number of subscribing merchants at the end of the year.
2. ARPU is defined as the average revenue per user, calculated as revenue (from subscription solutions or merchant solutions, as the case may be) divided by total number of subscribing merchants at the end of the year.

The Group had, since 2022, undertaken the task of refining its customer base from the simple pursuit of number of subscribing merchants to a more targeted pursuit of merchants with stronger financial capacity and more comprehensive commercial needs for higher-tiered subscription plans of the Group's subscription solution packages (which are generally larger size merchants), striving to provide a more comprehensive suite of intelligent solutions that encompasses off-line, on-line and multi-social media platform support to better cater for the increasingly complex and competitive business environment for the Group's merchant clients. While this has led to a decreasing trend in the number of subscribing merchants during the Track Record Period, the attrition rate on subscribing merchants demonstrated a relatively notable decrease in the year ended 31 December 2024, and continued with a decreasing trend in the year ended 31 December 2025. As its customer base was being progressively refined, the overall GMV of the Group's subscribing merchants remained unaffected, indicating a continuously improving average GMV per subscribing merchant. On an overall basis, the Group achieved continuous improvement in ARPU for both its subscription solutions and its merchant solutions throughout the Track Record Period, limiting the negative impact on overall revenue from the reduced number of subscribing merchants (in the course of refining its customer base) to a manageable level during the three financial years ended 31 December 2025, with decreases in revenue generated from subscription solutions largely compensated by increases in revenue generated from merchant solutions; and reported a slight turnaround in overall revenue for the year ended 31 December 2025 compared to 2024.

Cost of sales

Cost of sales of the Group mainly comprises transaction costs, staff costs, logistics costs, server and SMS costs, insurance premium costs, technology services expenses, contracted operation service costs and other miscellaneous costs. Transaction costs primarily represent transaction-based charges paid to upstream clearing institutions such as NetsUnion and Unionpay for the Group's third-party payment service under its merchant solutions. Logistics costs primarily relate to service fees paid to third-party logistics service providers for the Group's Youzan Logistics Solutions. Insurance premium costs primarily relate to costs in acquiring relevant insurances in support of the Group's service offerings under Youzan Worry-free Shopping and Youzan Logistics Solutions. Technology services expenses primarily represent outsourced development costs paid by the Group to external vendors for the Group's customised SaaS products.

Overall cost of sales of the Group amounted to RMB446.2 million, RMB464.1 million and RMB502.7 million for each of the three years ended 31 December 2025, with transaction costs and staff costs consistently being the two most significant cost drivers and represented over 50% of the overall cost of sales of the Group throughout the Track Record Period. Transaction costs fluctuated relatively narrowly between RMB162.2 million (for the year ended 31 December 2024) and RMB167.4 million (for both years ended 31 December 2023 and 2025), driven partly by the fluctuating processing fee rates charged by upstream clearing institutions for different merchant industry segments. On the other hand, staff costs decreased continuously from RMB119.3 million for the year ended 31 December 2023 to RMB100.3 million for the year ended 31 December 2024 and further to RMB94.4 million for the year ended 31 December 2025, mainly as a result of the Group's efforts in optimising its operating efficiency and streamlining its headcounts. Aside from the above, on the back of the continuous business growth of the Group's Youzan Logistics Solutions, logistics costs increased significantly from RMB25.1 million for the year ended 31 December 2023 to RMB56.1 million for the year ended 31 December 2024 and further to RMB75.3 million for the year ended 31 December 2025. Additionally, in line with the moderate increasing trend in GMV of the Group's subscribing merchants, server and SMS costs also increased from RMB40.0 million in the year ended 31 December 2023 to RMB43.6 million in the year ended 31 December 2024 and further to RMB48.7 million for the year ended 31 December 2025. Together, these four major cost components represented over 75% of total cost of sales and contributed, in varying degree, to the overall performance of the Group's cost of sales during the Track Record Period.

Gross profit and gross profit margin

As a result of the foregoing, the Group reported overall gross profit of RMB1,002.1 million, RMB978.2 million and RMB984.4 million, with corresponding overall gross profit margin of approximately 69.2%, 67.8% and 66.2%, respectively, for each of the three years ended 31 December 2025. The slight decreasing trend in gross profit margin during the Track Record Period can be partly attributed to the combined result of the following: (i) the negative impact on revenue from subscription solutions, driven by a decrease in the number of subscribing merchants during the course of the Group's customer base refinement process as explained above; (ii) the relatively rapid growth of the Group's Youzan Logistics Solutions under its merchants solutions, which has a comparably lower transaction margin; and (iii) the fluctuating fee rates charged by upstream clearing institutions for the Group's different merchant industry segments, impacting the overall margin of the Group's third-party payment service.

Other income, gain and losses (net)

The Group's other income, gains and losses (net) reduced substantially in the year ended 31 December 2024 compared to the year ended 31 December 2023, mainly as a result of (i) a substantially larger gain on derecognition of other payables recognised in the year ended 31 December 2023 as a result of non-refundable deposits from merchant stores that had long closed down and ceased operations; and (ii) a one-off administrative penalty, recognised in the year ended 31 December 2024, of approximately RMB27.9 million imposed by the People's Bank of China against Youzan Payment for historical non-compliance primarily concerning the provision of QR code payment services beyond the permitted scope of online payment (i.e. extending to offline payment) and omission to implement daily transaction limits for static QR code payments during 2021 and 2022. Online QR code payment service involves the provision of QR code to facilitate remote electronic payments effected through the internet, typically under commercial scenarios such as e-commerce platforms, mobile apps, mini-programmes and other online transaction environments, while offline QR code payment refers to electronic payments effected on-site (typically at the premise of merchants) through QR code scanning.

At the relevant time, due to the outbreak of the pandemic, a large number of offline physical merchants actively engaged in digital transformation, resulting in an increasing number of integrated online-and-offline retail merchant clients. The Group, while not having a sufficiently comprehensive understanding of the relevant scope of authority on QR code payment services at the relevant time, extended its QR code payment services to offline transactions to cater for the needs of its online-and-offline merchants. The penalty amount represented the confiscation of relevant revenue and the imposition of fine in the same amount. All of the non-compliances have been rectified under the guidance of the People's Bank of China (including, without limitation, termination of the provision of offline QR code payment services and the imposition of daily transaction amount limits on online QR code payments in compliance with relevant regulatory requirements), and a rectification report was filed with the People's Bank of China in 2023. The Group had not received any objection from the People's Bank of China since the filing of the rectification report, and the ruling of the administrative penalty was consequently issued by the People's Bank of China Beijing Branch in September 2024. Save for the said administrative penalty, the Group was not subject to any other liabilities arising from the aforementioned non-compliance. The said administrative penalty was fully settled by March 2025.

Other income, gain and losses (net) in the year ended 31 December 2025 increased significantly compared to that in the year ended 31 December 2024 primarily as a result of the absence of the aforementioned administrative penalty.

Selling and distribution expenses

The Group's selling and distribution expenses decreased significantly from RMB657.0 million for the year ended 31 December 2023 to RMB556.4 million for the year ended 31 December 2024, mainly as a result of reduction in sales personnel as part of the Group's efforts in optimising its operating efficiency which led to the decrease in sales staff costs, and to a lesser extent, reduction in channel commission expenses and travel and entertainment expenses, driven in part by the Group's continuous efforts in cost control and operating efficiency enhancements. Selling and distribution expenses remained stable for the year ended 31 December 2025 as compared to the year ended 31 December 2024, with moderate increase in staff costs (as the Group adjusted its sales force to facilitate its business development plans) largely offset by a continuous reduction in channel commission expenses.

Administrative expenses

The Group's administrative expenses exhibited a continuous decreasing trend throughout the Track Record Period. More particularly, the decrease in administrative expenses in the year ended 31 December 2024 was driven mainly by the decrease in professional service fees that was reportedly higher in the year ended 31 December 2023 as a result of the Acquisition and, to a lesser extent, a decrease in depreciation and amortisation expenses. On the other hand, the further decrease in administrative expenses in the year ended 31 December 2025 was mainly driven by a decrease in staff costs, as a result of the Group's efforts in optimising its operating efficiency.

Research and development costs

Research and development costs, which comprised principally staff costs, also shew a steady decreasing trend throughout the Track Record Period as a result of reduction in research and development staff pursuant to the Group's efforts in optimising its operating efficiency and rationalizing its research and development arrangements.

Equity-settled share-based payments

Equity-settled share-based payments correspond to the share award schemes and share option schemes adopted by the Group over the years. Equity-settled share-based payments increased substantially from RMB10.6 million in the year ended 31 December 2023 to RMB173.6 million in the year ended 31 December 2024, driven primarily by the grant of share awards in December 2024 following completion of the Acquisition which was considered to be one-off in nature. Equity-settled share-based payments reduced to a much lower level of RMB19.3 million for the year ended 31 December 2025, and is currently expected to remain at a relatively moderate level in the near term.

Amortisation of intangible assets

Amortisation of intangible assets related to computer software as well as e-commerce applications, distribution network and trademarks (acquired when the Group acquired the initial 51% equity interests in Youzan Cayman in 2018), which were fully amortised as at 31 December 2024. Accordingly, no further amortisation expense in connection therewith was recognised in the year ended 31 December 2025 and going forward.

Loss/profit from operations

On the basis of the foregoing, the Group reported loss from operations of RMB21.3 million for the year ended 31 December 2023, which increased substantially to approximately RMB132.7 million for the year ended 31 December 2024 primarily driven by the substantially high level of equity-settled share-based payment. With the completion of amortisation of intangible assets and with a much lower level of equity-settled share-based payment, the Group reported profit from operations in the amount of approximately RMB171.6 million for the year ended 31 December 2025.

Net loss/profit and non-controlling interests

Net loss/profit of the Group shown comparable movements as with its loss/profit from operations during the Track Record Period. The Group reported net loss of RMB50.5 million and RMB165.8 million for the two years ended 31 December 2024, and net profit of RMB163.0 million for the year ended 31 December 2025, primarily driven by the same factors and reasons impacting the Group's loss/profit from operations for corresponding financial years.

The Group reported a substantially reduced net loss attributable to non-controlling interests of RMB57.9 million and a net profit attributable to owners of the Company of RMB7.4 million for the year ended 31 December 2023, mainly as a combined result of (i) a reduced loss from Shenzhen Youzan Information Technology Ltd.* (深圳有贊信息科技有限公司), an indirect non-wholly owned subsidiary of the Company at the material time during the year ended 31 December 2023 primarily serving as a cost centre undertaking research and development as well as sales and marketing support for the Group, and a turnaround to profitability in Hangzhou Youzan (another non-wholly owned subsidiary of the Company at the material time during the year ended 31 December 2023), both driven by the Group's cost control and human capital streamlining efforts; and (ii) net profit contributed from the Group's third-party payment service (which has been undertaken by Youzan Payment, a wholly-owned subsidiary of the Company with no non-controlling interests).

Generally in line with the level of overall net loss of RMB165.8 million for the year ended 31 December 2024, the Group had net loss attributable to owners of the Company of RMB176.6 million, partly due to the substantially high level of equity-settled share-based payment recognised under Youzan Cayman (which became a wholly-owned subsidiary since December 2023). Nevertheless, the Group reported net profit attributable to non-controlling interests of RMB10.8 million for the year ended 31 December 2024, which was mainly attributable to a then 51% non-wholly owned subsidiary whose principal business was the sales of POS equipment. This non-wholly owned subsidiary had ceased business operations prior to the commencement of the Track Record Period and was dissolved in 2024. As a result of its dissolution, this non-wholly owned subsidiary recognised a one-off gain from write-off of other payables (mainly owed to its immediate controlling shareholder which in turn is a wholly-owned subsidiary of the Company), resulting in a net profit of RMB27.9 million at the level of this non-wholly owned subsidiary.

For the year ended 31 December 2025, the Group had net profit attributable to owners of the Company of RMB163.1 million (substantially close to the Group's net profit of RMB163.0 million for the same year), while an insignificant net loss attributable to non-controlling interests of RMB106,000 was reported, primarily resulting from overall net loss of the Group's few overseas majority-owned subsidiaries.

Seasonality

The Group's business is, to a certain degree, subject to seasonality, driven by customary seasonality factors applicable to the consumer retail and service industries in general. As a significant portion of the Group's revenue are driven by merchants' GMV, the Group may experience a weaker revenue performance during the first quarter of a year due to slower business activities of merchants as a result of festive holidays such as the Chinese New Year, and a stronger revenue performance in the fourth quarter of a year driven by clustered online festive promotional events such as "national holidays festivity sales" and "double-eleven promotional sales".

The following table sets forth certain key financial information of the Company on assets and liabilities as extracted from the audited consolidated financial statements of the Company for the three years ended 31 December 2023, 2024 and 2025:

	As at 31 December		
	2023	2024	2025
	(audited)	(audited)	(audited)
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Non-current assets	1,507,983	1,412,490	1,454,914
Current assets	3,887,031	4,498,721	4,265,916
Current liabilities	3,664,103	4,144,146	3,786,038
Net current assets	222,928	354,575	479,878
Total assets less current liabilities	1,730,911	1,767,065	1,934,792
Non-current liabilities	722,021	691,574	669,512
Net assets	1,008,890	1,075,491	1,265,280

Net current assets

The Group's net current asset position improved from RMB222.9 million as at 31 December 2023 to RMB354.6 million as at 31 December 2024, partly attributable to the increase in factoring loan receivables from RMB49.4 million to RMB110.6 million, coupled with a decrease in contract liabilities from RMB585.6 million to RMB437.4 million. The further improvement in net current asset position to RMB479.9 million as at 31 December 2025 was partly attributable to the increases in cash and cash equivalents from RMB888.8 million to RMB1,080.5 million, as partially offset by a decrease in factoring loan receivables from RMB110.6 million to RMB5.0 million.

For further information about the business, financial information, management discussion and analysis, and other information of the Group, please refer to the announcements, financial reports and corporate communications published by the Company as required under the GEM Listing Rules which are available for viewing on the website of the Stock Exchange (<https://www.hkexnews.hk>) and the website of the Company (<https://www.youzan.com>).

See also the paragraph headed “Documents available for viewing” in this announcement for details.

Business Sustainability

The Group’s current principal business can largely be traced back to 2018 when the Group first acquired 51% of the equity interests in Qima Holdings Limited (subsequently renamed as Youzan Technology Inc., ie., Youzan Cayman), expanding the Group’s original major business of offering third-party payment services into the provision of social-network based SaaS products and solutions (the subscription solutions) and related value-added services (the merchant solutions, of which the original third-party payment service offering forms part). Since then the Group went through phases of business development cycle, from expanding its business operations rapidly and significantly in the pursuit of capturing market share in the earlier years, to the pursuit of striking a balance and optimising its business and operational structure, paving the way for long-term sustainable profitability in more recent years.

Overall revenue of the Group almost doubled and reached the RMB1 billion mark in 2019 (the first full financial year where business and results of Youzan Cayman were consolidated into the Group), and since 2021 has remained at a comparatively stable level consistently above RMB1.4 billion. Gross profit also reached the RMB1 billion benchmark in 2020 and remained at relatively a comparable level since then. Overall gross profit margin rose from around 50% in 2019 to a level consistently above 60% since 2021. Gross merchandise value (GMV) of the Group’s subscribing merchants crossed the benchmark of RMB100 billion in 2020 and remained relatively consistent thereafter (notwithstanding a reduced number of subscribing merchants as previously discussed in paragraph headed “Summary of the Company’s Financial Information – Brief Discussion on Finance Performance” above). ARPU for both the Group’s subscription solutions and merchant solutions have been on a continuous improving trend, rising from a level of around RMB7,000 for both segments in 2019, to RMB14,576 and RMB13,537, respectively by 2025.

Notwithstanding the above positive business and financial performance indicators, the Group remained in a significant operating loss position up to the year ended 31 December 2024, attributable mainly to major cost factors that varied in different periods/phases of the Group’s business development. During the earlier stage of business expansion in pursuit of capturing market share and market visibility, the Group committed substantial financial resources in marketing as well as research and development and administrative manpower build-up, resulting in over-bearing amounts of selling and distribution expenses, administrative expenses and research and development expenses (the “**SA&R Expenses**”) which could not be covered by the gross profits generated. Coupled with significant amounts in amortisation expense arising from the Group’s acquisition of Youzan Cayman, these major cost factors contributed to the significant operating losses of the Group.

Following the initial years of expansionary strategies, the Group progressed into the stage of adjusting its operational strategies with the aim of striking a balance between business scale, customer mix and cost structure for long-term sustainability and profitability. Since 2022 the Group took proactive steps to rationalise its cost structure, streamline its management structure and headcounts, and optimise its operational efficiency, yielding visible success in lowering its SA&R Expenses for more than half from the peak of RMB1.9 billion in 2021 to RMB851.3 million in 2025, and turned around its operating cashflow to a net inflow in 2023 (RMB86.7 million) which continued to improve through 2024 (RMB68.0 million) and 2025 (RMB245.2 million).

With specific cost factors completely absorbed and a substantially streamlined overall cost structure, the year 2025 also marked a new development phase of the Group towards long-term sustainability and profitability. With a more reasonable and sustainable level of SA&R Expenses, completely amortised intangible assets and a stable level of revenue and gross profit margin, the Group reported its first operating and net profit for the year ended 31 December 2025 (of RMB171.6 million and RMB163.0 million, respectively).

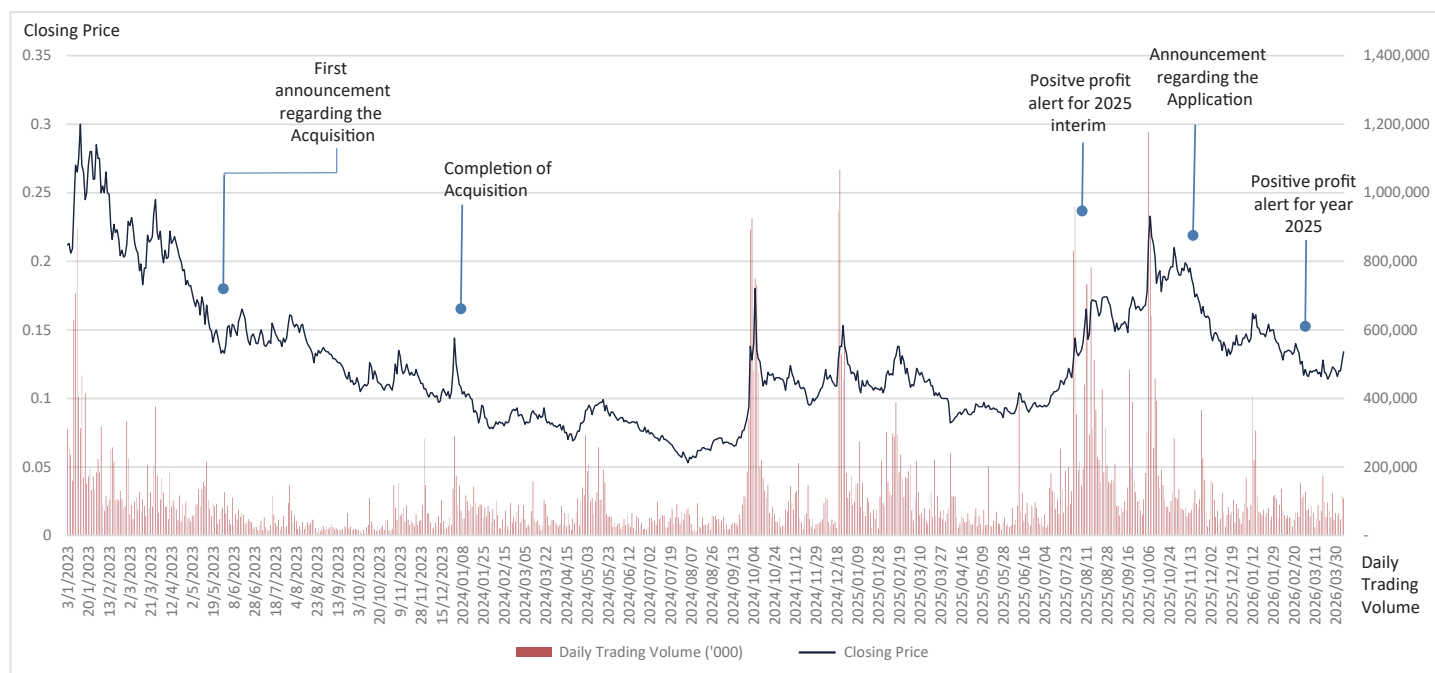
Throughout the course of its strategic refinement in operational and cost structures from 2022 to 2025, the Group has demonstrated its ability to maintain a stable level of revenue and decent gross profit margin while refining its customer base with higher average ARPU and GMV, and operating smoothly with a substantially streamlined manpower and lower overall cost structure. The year 2025 has demonstrated that the Group's principal business is commercially viable for profitability. The historical losses of the Group was partly a phased development process of the Group where over-bearing operating expenses were incurred with the aim of securing market position and visibility. With the passing of that phase and the success of substantially streamlining and re-aligning its operational and cost structures, the Group is set to phase into a new development stage of commercial sustainability and profitability.

Historical Price Movement and Trading Volume of the Shares

Trading Price Performance

The following exhibit shows the historical price movement of the Shares over the Track Record Period and up to the date of this announcement.

Closing prices of the Shares during the Track Record Period and up to the date of this announcement



Source: The website of the Stock Exchange (www.hkex.com.hk)

It can be observed from the above chart that the price of Shares exhibited a relatively declining trend during the Track Record Period and up to the date of this announcement. During the Track Record Period and up to the date of this announcement, the closing price of Shares declined by approximately 43.4% from HK\$0.212 on 3 January 2023 to HK\$0.134 on 9 April 2026. The closing price of Shares ranged from the lowest of HK\$0.053 per Share on 5 August 2024 to the highest closing price of HK\$0.3 per Share on 13 January 2023. Price of Shares trended downward since late January 2023 with intermittent fluctuations. On the back of the positive profit alert for the 2025 interim period published in July 2025, the price of Shares rose modestly but trended downward again and closed at HK\$0.134 on 9 April 2026.

Trading Volume

As indicated the above chart, the month with the highest average daily trading volume – which reached approximately 341.0 million Shares (1.0% of the total number of issued Shares (excluding treasury shares) at the date of this announcement) – was August 2025, whereas the month with the lowest average daily trading volume – which reached approximately 23.4 million Shares (0.1% of the total number of issued Shares (excluding treasury shares) at the date of this announcement) – was September 2023.

The Board noted that the price of the Shares has been volatile and may continue to be volatile. Shareholders and prospective investors are advised to exercise caution when dealing in the Shares.

SINGLE LARGEST SHAREHOLDER, THE 2023 AIC SHAREHOLDER GROUP AND SHAREHOLDER DISTRIBUTION

As at 1 January 2023, the Company's single largest shareholder was Mr. Zhu. As at 1 January 2023, Mr. Zhu held in aggregate 1,831,771,804 Shares, representing 9.94% of the then issued share capital of the Company, comprising (i) 28,000,000 Shares held directly, representing 0.15% of the then issued share capital of Company; (ii) 363,170,101 Shares held by LIGHTINGTEC TEAMWORK INC. (formerly known as Youzan Teamwork Inc.), his controlled corporation, representing 1.97% of the then issued share capital of the Company; and (iii) being the settlor of the discretionary trust indirectly holding the share capital of Whitecrow Investment Limited, which in turn held 1,440,601,703 Shares, representing 7.82% of the then issued share capital of the Company.

Since 1 January 2023 and up to the date of this announcement, Mr. Zhu has remained as the Company's single largest shareholder. As of the date of this announcement, Mr. Zhu held in aggregate 6,177,890,609 Shares, representing 18.73% of the issued share capital of the Company (including treasury shares) and 18.99% of the issued share capital of the Company (excluding treasury shares), comprising: (i) direct interest in 433,684,841 Shares, representing 1.32% of the issued share capital of the Company (including treasury shares) and 1.33% of the issued share capital of the Company (excluding treasury shares), and (ii) indirect interest through being the settlor of the discretionary trust indirectly holding the share capital of Whitecrow Investment Limited, which in turn held 5,744,205,768 Shares, representing 17.42% of the issued share capital of the Company (including treasury shares) and 17.66% of the issued share capital of the Company (excluding treasury shares). The Company confirms that there has been no change in single largest shareholder of the Company throughout the three years ended 31 December 2025 and up to the date of this announcement.

Reference is also made to the circular of the Company dated 30 November 2023 in connection with the Acquisition, in which the sellers of the Acquisition and certain individuals were regarded as, or deemed to be, parties acting in concert (as defined in the Hong Kong Code on Takeovers and Mergers and Share Buy-backs) (the "**2023 AIC Shareholder Group**"). Please refer to note 4 of the shareholder distribution table set out below for details of the composition of the 2023 AIC Shareholder Group.

Notwithstanding that (i) members of the 2023 AIC Shareholder Group are regarded as parties acting in concert in respect of the Company (in connection with the Acquisition); (ii) their aggregate shareholding in the Company is more than 30% (excluding treasury shares) as of the date of this announcement; and (iii) such sellers and the Company (as shareholders of Youzan Cayman at the relevant time prior to the Acquisition) had entered into a shareholders' agreement with respect to Youzan Cayman, on the basis that (a) such sellers had confirmed in writing that all rights under such shareholders' agreement have ceased; (b) there is no agreement or arrangement on the exercise of voting rights amongst such sellers at the Company level; and (c) no single member will be entitled to exercise or control the exercise of 30% or more of the voting rights in the Company, the Company does not have a controlling shareholder (within the meaning of the Listing Rules).

The Company has engaged an independent third-party agent to make enquiry into its shareholding. On the basis of the Shareholders identified in such enquiry and the disclosure of interests of the Company (which in aggregate represented holders of approximately 91.3% of the total issued Shares (excluding treasury shares)) (the “**Identified Shareholders**”), to the best of the knowledge of the Directors based on information received to date and having made all reasonable inquiries, the following is the shareholding spread of the Company’s top 25 Shareholders as at 30 January 2026, being the latest practicable date (the “**Shareholding LPD**”) for ascertaining such shareholding spread information:

	Aggregate number of Shares held by the Identified Shareholders (Note 1)	Approximate percentage of shareholding to the issued share capital of the Company (Note 2)	Approximate percentage of shareholding to the issued share capital of the Company (Note 3)
Top Identified Shareholder (Note 4)	13,751,081,370	41.70%	42.27%
Top five Identified Shareholders	17,197,736,779	52.15%	52.87%
Top 10 Identified Shareholders	18,237,734,254	55.30%	56.06%
Top 20 Identified Shareholders	19,263,874,152	58.41%	59.22%
Top 25 Identified Shareholders	19,620,486,152	59.50%	60.32%

Notes:

1. Shares held by Identified Shareholders having identical names and/or same addresses or held through different brokerage firms have been aggregated and treated as being held by one single Identified Shareholder.
2. Calculated based on 32,978,308,752 total issued Shares (including treasury shares).
3. Calculated based on 32,529,664,375 total issued Shares (excluding treasury shares).

4. Representing the aggregate of Shares held by (i) Mr. Zhu (1.33%), the single largest Shareholder, an executive Director and the chief executive officer of the Company and Whitecrow Investment Limited (17.66%), being a member of the 2023 AIC Shareholder Group and beneficially wholly-owned by Mr. Zhu; and (ii) certain other members of the 2023 AIC Shareholder Group, including V5.Cui Investment Ltd. (together with Mr. Cui Yusong, the sole shareholder of V5.Cui Investment Ltd.) (2.27%), Xincheng Investment Limited (2.09%), Baidu (Hong Kong) Limited (0.98%), Aves Capital, LLC (together with Mr. Xiong Minghua, the 90% shareholder of Aves Capital LLC) (1.70%), HKDWD Holdings Limited (4.17%), Ralston Global Holdings Limited (0.55%), Hangzhou San Ren Yan Xing Investment Partnership (LLP) (0.46%), Tembusu HZ II Limited (3.19%), Matrix Partners China III, LP (2.52%), Matrix Partners China III-A, LP (0.28%), GCYZ Holdings Limited (1.13%), GCQM Holdings Limited (1.67%), Mr. Huang Rongrong (the sole shareholder of Rory Huang Investment Limited, one of the sellers of the Acquisition) (0.09%), Mr. Yu Tao (an executive Director and chief financial officer of the Company) (1.12%), Ms. Ying Hangyan (the chief service officer of the Company) (0.49%), Mr. Zhou Kai (a director of a non-wholly owned subsidiary of the Company) (0.29%) and Mr. Huan Fang (a director of a non-wholly owned subsidiary of the Company) (0.29%). The Company is not aware of any shareholding in the Company being held by Rory Huang Investment Ltd., LIGHTINGTEC TEAMWORK INC., Qima Teamwork Inc., Franchise Fund LP and Happy Zan Holdings Limited, being the remaining members of the 2023 AIC Shareholder Group. The percentages referred to in this note are calculated on the basis of 32,529,664,375 total issued Shares (excluding treasury shares).

SHARE SCHEMES

Share Option Scheme

The Company adopted a share option scheme on 12 June 2019 which was terminated on 29 June 2023 (the “**Share Option Scheme 2019**”). The termination of the Share Option Scheme 2019 does not affect the validity of the outstanding share options, which may continue to be exercised in accordance with the terms of the Share Option Scheme 2019 and (following the effectiveness of the Transfer of Listing) the Main Board Listing Rules.

Set out below are the details of the outstanding options granted under the Share Option Scheme 2019:

Name of selected Directors	Position held within the Company	Date of grant	As at date of this announcement	Exercise price	Exercisable from	Exercisable until
Mr. Zhu Ning	Executive Director and chief executive officer	20 January 2023	1,000,000	HK\$0.385	20 January 2024 <i>(Note 1)</i>	19 January 2028
Mr. Yu Tao	Executive Director	20 January 2023	1,000,000	HK\$0.385	20 January 2024 <i>(Note 1)</i>	19 January 2028
Other employees		20 January 2023	9,600,000	HK\$0.385	20 January 2024 <i>(Note 1)</i>	19 January 2028
Total			<u>11,600,000</u>			

Notes:

1. 100% of the options (the “**Options**”) became vested on 20 January 2024.
2. There is no performance target attached to the Options.
3. As at date of this announcement, the number of share options available for grant under the Share Option Scheme 2019 was nil.

On 29 June 2023, the 2023 annual general meeting of the Company approved the adoption of a new share option scheme (the “**Share Option Scheme 2023**”) as well as its scheme mandate limit (the “**Scheme Mandate Limit**”) and its service provider sublimit (the “**Service Provider Sublimit**”), which are the maximum number of Shares that may be allotted and issued upon the exercise of all share options, together with any share awards to be granted to eligible person(s) or service providers under the Share Option Scheme 2023 or any other share incentive scheme (including the Share Award Scheme (as defined below)) of the Company. No share options were granted, exercised, lapsed or cancelled under the Share Option Scheme 2023 since the date of adoption and up to the date of this announcement. As at date of this announcement, the number of options available for grant and Shares available for issue under the Scheme Mandate Limit and the Service Provider Sublimit were 57,960,377 and 184,216,420 respectively.

The Share Option Scheme 2023, the Scheme Mandate Limit and the Service Provider Sublimit will remain valid and effective following the Transfer of Listing and will continue to be implemented in full compliance with the requirements under Chapter 17 of the Main Board Listing Rules. The listing of Shares which may be issued pursuant to the Share Option Scheme 2023, the operation of the Scheme Mandate Limit and the Service Provider Sublimit will be required to comply with the Main Board Listing Rules pursuant to Rule 9A.10 of the Main Board Listing Rules.

As at the date of this announcement, save for the options that were granted under the Share Option Scheme 2019 and may be granted under the Share Option Scheme 2023, our Company does not have any other options, warrants or similar rights or convertible equity securities in issue the listing of which will be transferred to the Main Board.

Share Award Scheme

The Company adopted a share award scheme (the “**Share Award Scheme**”) on 31 May 2018 (the “**Adoption Date**”) aimed to recognise the contributions by eligible persons and provide them with incentives in order to retain them for continuing operation and development of the Group, and to attract suitable personnel for further development of the Group. The Share Award Scheme is valid and effective for a period of 10 years from the Adoption Date unless early terminated by the Board.

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

Grantee/Category		Date of grant	Vesting period	Purchase price	Unvested Awards as at date of this announcement
Other employee participants in aggregate	Eighth Awards	1 April 2023	Eighth Awards granted to Selected Participants are divided into 3 lots: (1) 2,747,800 Awarded Shares were fully vest on 31 March 2024; (2) Another 12,131,000 Awarded Shares are divided into 4 tranches. The first and second tranche each represent 20% of the awards shall vest when the Selected Participant completing 1 year of continuous service to the Group from the date of grant. The third and fourth tranches each represent 30% of the awards shall vest in the third and fourth anniversary from the date of grant, respectively; (3) The remaining 18,899,000 Awarded Shares are divided into 4 tranches. The first tranche representing 25% of the awards shall vest 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 shall vest in the second, third and fourth anniversary from the date of grant, respectively.	N/A	5,657,200

Grantee/Category	Date of grant	Vesting period	Purchase price	Unvested Awards as at date of this announcement
Ninth Awards	1 July 2023	Ninth Awards granted to employees 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	1,073,500
Tenth Awards (Note 3)	23 December 2024	Tenth Awards granted to employees are divided into 2 lots: (1) 1,321,441,003 Awarded Shares will be vested in 1 year from the Grant Date; and (2) 254,157,702 Awarded Shares will be vested over 1 to 5 years from the grant date.	N/A	169,377,386
Total				<u>176,108,086</u>

Note: (1) The number of share awards available for grant under the Scheme Mandate Limit as at the date of this announcement was 57,960,377 Shares. The number of share awards available for grant under the Services Provider Sublimit as at the date of this announcement was 184,216,420.

- (2) The first seven batches of share awards granted under the Share Award Scheme have been fully vested.
- (3) With respect to each grantee, upon the relevant vesting date, the portion of Awarded Shares that vests shall depend on whether the grantee's performance meets a specified threshold in their performance evaluations prior to such vesting date.

The Company has established an appraisal mechanism to evaluate the performance of each selected participant on a quarterly or half year basis for his/her performance (“**Quarter or Half Year Performance Evaluation**”) and full year performance from 1 January to 31 December each year (“**Full Year Performance Evaluation**”). The performance targets of the Awarded Shares are individualised based on the job nature and job positions of each selected participant and the projected market and business conditions for the period covered by the Quarter or Half Year Performance Evaluation and the Full Year Performance Evaluation.

For illustration purpose, the full exercise of the share options outstanding as at the date of this announcement together with the full vesting and exercise of share awards (including vested, unvested and unallocated as at the date of this announcement) will have minimal dilution impact on the shareholding of the Company. More specifically, based on the disclosure of interests of the Company and the shareholding information received as of the Shareholding LPD, and having made all reasonable inquiries, the approximate percentage public float of the Company will remain at approximately 52.7% before and after the enlargement of issued share capital (excluding treasury shares) arising from the full exercise of all outstanding share options granted under the Share Option Scheme 2019 and the full vesting of all share awards granted under the Share Award Scheme. For the purpose of this calculation, Shares held by the two nominee companies under the Share Award Scheme – comprising of both unallocated shares held on behalf of the Company and Awarded Shares (vested and unvested) held for grantees – are classified as non-publicly held.

The Share Award Scheme, the Scheme Mandate Limit and the Service Provider Sublimit will remain valid and effective following the Transfer of Listing and will be implemented in full compliance with the requirements under Chapter 17 of the Main Board Listing Rules. The listing of Shares which may be issued pursuant to the Share Award Scheme, the operation of the Scheme Mandate Limit and the Service Provider Sublimit will be required to comply with the Main Board Listing Rules pursuant to Rule 9A.11 of the Main Board Listing Rules.

GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES

Pursuant to Rule 9A.12 of the Main Board Listing Rules, the general mandates granted by the Shareholders at the annual general meeting of the Company held on 27 May 2025 for the Directors to allot, issue and deal with new Shares and repurchase Shares will continue to be valid and remain in effect until the earliest of: (a) the conclusion of the next annual general meeting of the Company; (b) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws or any applicable laws to be held; or (c) the passing of an ordinary resolution by the Shareholders in general meeting revoking or varying such authority given to the Directors.

DEALINGS IN THE SHARES OF THE MAIN BOARD

The Shares have been accepted as eligible securities by HKSCC for deposit, clearance and settlement in the CCASS with effect from 14 April 2000. Subject to the continuing compliance with the stock admission requirements of HKSCC, the Shares will continue to be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS once dealings in the Shares on the Main Board commence, and that all activities under CCASS are subject to the General Rules of HKSCC and HKSCC Operational Procedures in effect from time to time.

Currently, the Shares are traded in a board lot size of 4,000 Shares each and are traded in Hong Kong dollars. The share registrar and transfer agent of the Company in Bermuda is Conyers Corporate Services (Bermuda) Limited and the Hong Kong share registrar and transfer office of the Company is Computershare Hong Kong Investor Services Limited. The Transfer of Listing will have no effect on the existing share certificates in respect of the Shares which will continue to be good evidence of legal title and be valid for delivery, trading, settlement and registration purposes, and will not involve any transfer or exchange of the existing share certificates. Further, no change will be made to the English and Chinese stock short names, the existing share certificates, the board lot size, the trading currency of the Shares and the abovementioned share registrars and transfer offices of the Company following the Transfer of Listing.

PUBLIC FLOAT, FREE FLOAT AND NUMBER OF SHAREHOLDERS

The Directors confirm that (i) no less than 25% of the total issued share capital of the Company (regardless of whether it is including or excluding treasury shares) is held by the public (as defined in the Main Board Listing Rules); (ii) at least 10% of the total number of issued shares of the Company (excluding treasury shares), with an expected market value of not less than HK\$50,000,000, are not subject to any disposal restrictions (whether under contract, the Main Board Listing Rules, applicable laws or otherwise); and (iii) there are at least 300 Shareholders as at the date of this announcement. Accordingly, the minimum level of public float, free float and number of Shareholders as required under Rule 8.08 and Rule 8.08A of the Main Board Listing Rules have been maintained.

COMPLIANCE WITH GEM LISTING RULES AND RELEVANT RULES AND REGULATIONS IN THE PRC

To the best knowledge and information of the Directors after making reasonable enquiries, there has not been any breach of GEM Listing Rules by the Company in any material respect and has not been any non-compliance of other applicable laws and regulations relating to the Group's business operations in any material respect during the Track Record Period and up to the end of the Relevant Period. Further, as advised by the Company's PRC legal advisor, based on its due diligence conducted on the Group and public search results, save for the administrative penalty imposed by the People's Bank of China Beijing Branch (as further discussed in "Information on the Group – Brief Discussion on Financial Performance – Other income, gain and losses (net)" in this announcement), the Group has not been subject to any other material fines or penalties imposed by any competent authorities in relation to the Group's business operations in the PRC throughout the Track Record Period and up to the end of the Relevant Period.

According to Item (3) of Article 22 of the Interim Measures for the Administration of Overseas Securities Offering and Listing by Domestic Enterprises (《境內企業境外發行證券和上市管理試行辦法》) issued by China Securities Regulatory Commission ("CSRC"), "*the following material events shall be reported to the CSRC within 3 working days from the date of the relevant events and announcement after the overseas issue and listing of the issuer:...* (3) *the conversion of the listing status or the board of listing; (發行人境外發行上市後發生下列重大事項，應當自相關事項發生並公告之日起3個工作日內向中國證監會報告具體情況：... (三) 轉換上市地位或者上市板塊；...)*". Therefore, the Company shall report to the CSRC within three working days from the date of completion of the Transfer of Listing and the relevant announcement.

To the best of the Directors' information and belief after making reasonable enquiries, including obtaining advice from the Company's PRC legal advisor, as of the date of this announcement, (i) the Group is not subject to any material on-going legal disputes and/or proceedings which may have a material adverse impact on the Group's operations and financial performance; and (ii) each of the Directors has not been, during the Track Record Period and up to the end of the Relevant Period, subject to any investigations by any regulators and/or relevant government authorities in the PRC or Hong Kong.

DOCUMENTS AVAILABLE FOR VIEWING

Electronic copies of the announcements and corporate communications published by the Company as required under the GEM Listing Rules, including the following documents, are available for viewing on the website of the Stock Exchange (<https://www.hkexnews.hk>) and the website of the Company (<https://www.youzan.com>):

- (a) the Company's published directors' reports and annual accounts for the year ended 31 December 2025 (pages 28 to 57 and pages 150 to 326);
- (b) the Company's published directors' reports and annual accounts for the year ended 31 December 2024 (pages 28 to 55 and pages 138 to 330);

- (c) the Company's published directors' reports and annual accounts for the year ended 31 December 2023 (pages 30 to 59 and pages 142 to 350);
- (d) the Bye-laws;
- (e) the Company's circular dated 30 April 2025 in respect of granting of general mandates to issue and repurchase shares and sell or transfer treasury shares, re-election of directors, proposed amendments to the share option scheme, proposed amendments to the share award scheme, share premium cancellation, proposed amendments to the Bye-laws and adoption of the new Bye-laws and notice of annual general meeting;
- (f) the Company's circular dated 4 June 2024 in respect of granting of general mandates to issue and repurchase shares, re-election of directors, proposed change of auditors, proposed amendments to the Bye-laws and adoption of the new Bye-laws, proposed change of company name and notice of annual general meeting;
- (g) the Company's circular dated 30 November 2023 in respect of major and connected transaction in relation to the Acquisition, issuance of shares under a specific mandate, application for whitewash waiver and proposed share award grant; and
- (h) the Company's circular dated 30 May 2023 in respect of general mandates to issue and repurchase shares, re-election of directors, re-appointment of auditors, proposed increase in authorised share capital, proposed amendments to the Bye-laws and adoption of the the amended and restated Bye-laws, proposed adoption of new share option scheme and proposed amendment to share award scheme and notice of annual general meeting.

DEFINITIONS

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

“Acquisition”	the Group’s acquisition of the remaining 48.1% equity interests in Youzan Cayman completed in 2023
“Application”	the formal application made by the Company to the Stock Exchange for the listing of and permission to deal in the Shares on the Main Board by way of the Transfer of Listing pursuant to Chapter 9B of the Main Board Listing Rules
“Board”	the board of Directors
“Bye-laws”	the amended and restated bye-laws of the Company adopted on 27 May 2025, as amended or supplemented from time to time
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Company”	Youzan Technology Limited (有贊科技有限公司), a company incorporated in Bermuda with limited liability and the Shares of which have been listed on GEM (stock code: 8083) from 14 April 2000 to 16 April 2026 and will be listed on the Main Board (stock code: 6051) starting from 17 April 2026
“Director(s)”	the director(s) of the Company
“GEM”	the GEM operated by the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM, as amended, modified or supplemented from time to time
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited

“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Main Board”	the stock market (excluding the options market) operated by the Stock Exchange which is independent from and operated in parallel with GEM
“Main Board Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, modified or supplemented from time to time
“Mr. Zhu”	Mr. Zhu Ning (朱寧), chairman of the Board, an executive Director and the chief executive officer of the Company
“PRC”	the People’s Republic of China
“Relevant Period”	a period of 250 trading days immediately preceding the Application and until the trading day immediately preceding this announcement
“Share(s)”	share(s) with a nominal value of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Track Record Period”	from 1 January 2023 to 31 December 2025
“trading day”	for the purpose of this announcement, has the meaning as ascribed to it under note 1(c) to Rule 9B.03 of the Main Board Listing Rules
“Transfer of Listing”	the proposed transfer of listing of the Shares from GEM to the Main Board pursuant to Chapter 9B of the Main Board Listing Rules
“treasury share(s)”	has the meaning ascribed to it in the GEM Listing Rules
“Youzan Cayman”	Youzan Technology Inc., a company incorporated in the Cayman Islands, a wholly-owned subsidiary of the Company and the target company of the Acquisition

“%”

per cent

By order of the Board
Youzan Technology Limited
Zhu Ning
Chairman

Hong Kong, 9 April 2026

As at the date of this announcement, the Board comprises two executive Directors, namely Mr. Zhu and Mr. Yu Tao; and four independent non-executive Directors, namely Dr. Fong Chi Wah, Mr. Deng Tao, Mr. Li Shaojie and Ms. Li Qingyang.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules and the Main Board 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 Listed Company Information” page of the Stock Exchange’s website at <https://www.hkexnews.hk> for at least seven days from the date of its publication and on the Company’s website at <https://www.youzan.com>.