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China Youzan Limited
中國有贊有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 8083)

RESIGNATION OF EXECUTIVE DIRECTOR

The board (the "**Board**") of directors (the "**Director(s)**") of China Youzan Limited (the "**Company**", together with its subsidiaries, the "**Group**") announces that Mr. Guan Guisen ("**Mr. Guan**") resigned as the chairman and an executive Director of the Company, compliance officer of the Company, and a member of each of the remuneration committee and nomination committee of the Company with effect from the date of this announcement, as he would like to devote more time to deal with the proceedings described below and to his personal commitments and matters concerning his roles and capacities outside of the Group. Mr. Guan has confirmed that he has no disagreement with the Board.

The board of directors of the Company has recently been made aware of the proceedings described below from certain news reports in the People's Republic of China ("**PRC**") which concerned the involvement of Mr. Guan and a company of which he is the sole shareholder, legal representative and director (the "**subject company**") in an alleged criminal offence. Based on the information and understanding of the Company, the judicial proceedings concerned certain payment derived by the subject company which were adjudged by the court in 2018 to be illegal proceeds associated with claims concerning a transaction in which the subject company was involved. The subject company and Mr. Guan have since their involvement spent substantial time and efforts to deal with such proceedings, including explanations, oppositions and appeals, and it is expected that these efforts in dealing with such proceedings will continue in the near term.

Upon the conduct of an internal inquiry and assessment, the Board would like to confirm and state clearly that (i) the circumstances and transaction under which the subject company derived the relevant proceeds occurred more than 10 years ago and prior to Mr. Guan joining the Group in February 2011; (ii) the subject matters of the judicial proceedings and the subject company have no connection with the Group or its activities, business or personnel; (iii) no other employee of the Group was involved in the case or any inquiry or investigation leading to the case; and (iv) Mr. Guan's involvement in the case was purely in his own capacity and not in any capacity that relates to or concerns the Group or its activities or business. Upon the Company becoming aware of the circumstances and after discussions with Mr. Guan, it was considered to be in the best interest of the Company for Mr. Guan to step down and focus on his personal matters as he may not be able to devote sufficient time and efforts to perform his roles and duties with the Group.

The Board believes that the above case and the resignation of Mr. Guan from the Company would not have any impact on the business and operations of the Group, and the Group continues to conduct its business and operations as usual.

The Company is in the process of appointing existing director(s) to act as the chairman and the compliance officer of the Board and an announcement will be made by the Company when the appointment is made.

Save for matters set out in this announcement, there is no other matter relating to Mr. Guan's resignation that needs to be brought to the attention of the shareholders of the Company.

By Order of the Board
China Youzan Limited
Yu Tao
Executive Director

Hong Kong, 17 February 2021

As at the date of this announcement, the Board comprises six executive Directors, Mr. Cao Chunmeng, Mr. Yan Xiaotian, Mr. Zhu Ning, Mr. Cui Yusong, Mr. Yu Tao and Ms. Ying Hangyan; and four independent non-executive Directors, Dr. Fong Chi Wah, Mr. Gu Jiawang, Mr. Xu Yanqing and Mr. Deng Tao.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the "Latest Company Announcements" page of the GEM website for at least 7 days from the date of its posting and on the Company's website at www.chinayouzan.com.