Youzan Technology Limited
有贊科技有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 8083)

PROPOSED REFRESHMENT OF SCHEME MANDATE LIMIT AND SERVICE PROVIDER SUBLIMIT

Background of the 2023 AGM Scheme Mandate Limit

At the 2023 AGM, the 2023 AGM Scheme Mandate Limit was approved for 1,842,164,209 Shares, representing 10% of the Shares in issue as at the date of the 2023 AGM.

Reference is made to the circular of the Company dated 30 November 2023 in relation to, among others things, the major and connected transaction in relation to the acquisition, the issuance of shares under specific mandate and the proposed share award grant. For the purpose of recognising the historical contributions of employees to the success of the Group, the Company proposed to grant awards involving a total of 1,906,330,379 Shares (the "**Proposed Grant Shares**") to 401 eligible participants under the Share Award Plan A (the "**Proposed Grants**"), which are not subject to any vesting conditions relating to the performance targets or clawback mechanism. On 27 December 2023, the approval of the Shareholders in respect of the Proposed Grants was obtained. As the Proposed Grant Shares have been issued, the 2023 AGM Scheme Mandate Limit has been fully utilised as at the date of this announcement, and no Share are available for future grants under the 2023 AGM Scheme Mandate Limit (including the existing Service Provider Sublimit).

Proposed refreshment of Scheme Mandate Limit and Service Provider Sublimit

An ordinary resolution will be proposed at the SGM to the Independent Shareholders to approve the proposed refreshment of Scheme Mandate Limit and Service Provider Sublimit so as to allow the Company to (i) grant further awards under all of the schemes of the Company up to 10% of the Shares in issue (excluding treasury shares) as at the date of passing the resolution and/or (ii) grant awards to Service Providers under any other schemes of the Group within the Scheme Mandate Limit up to 1% of the Shares in issue (excluding treasury shares) as at the date of passing the resolution. Assuming that there is no change in the issued share capital of the Company from the date of this announcement up to the date of passing such resolution, the maximum number of Shares which may be issued in respect of any of the schemes of the Group, will be 3,295,944,875 Shares, representing approximately 10% of the issued share capital of the Company as at the date of the SGM and, pursuant to the Service Provider Sublimit, the maximum number of Shares that may be issued upon exercise of any schemes of the Company will be 329,594,487 Shares, representing 1% of the total issued Shares as at the date of the SGM.

Reasons for the proposed refreshment of Scheme Mandate Limit and Service Provider Sublimit

In view of the full utilization of the 2023 AGM Scheme Mandate Limit and the need for future grant of Award Shares, the Directors consider that the Company should refresh the Scheme Mandate Limit and Service Provider Sublimit so that the Company will have more flexibility in offering incentives to eligible participants for their contributions to the Group and/or to enable the Group to recruit and retain high quality personnel and attract valuable human resources. Accordingly, the Directors (excluding the independent non-executive Directors, whose view will be set out in the letter from the Independent Board Committee included in the circular) consider that the proposed refreshment of Scheme Mandate Limit and Service Provider Sublimit is fair and reasonable and is in the interests of the Company and the Shareholders as a whole.

Conditions of the proposed refreshment of Scheme Mandate Limit and Service Provider Sublimit

The proposed refreshment of Scheme Mandate Limit and Service Provider Sublimit is conditional upon:

(a) the Independent Shareholders passing the ordinary resolution at the SGM to approve the proposed refreshment of Scheme Mandate Limit and Service Provider Sublimit; and

(b) the Listing Committee granting the approval of the listing of, and permission to deal in, the Shares to be issued pursuant to any of the schemes of the Company under the proposed refreshment of Scheme Mandate Limit and Service Provider Sublimit.

Listing Rules Implications

Pursuant to Rule 23.03C(1)(b) of the GEM Listing Rules, any refreshment of the existing Scheme Mandate Limit and Service Provider Sublimit within any three-year period from the date of adoption of the scheme is subject to the Independent Shareholders' approval by way of an ordinary resolution at the Shareholders' meeting. Any controlling shareholders and their associates or, where there are no controlling shareholders, directors (excluding independent non-executive directors) and the chief executive of the issuer and their respective associates shall abstain from voting in favour of the respective resolution to approve the proposed refreshment of Scheme Mandate Limit and Service Provider Sublimit. As at the date of this announcement, the Company has no controlling shareholder. Accordingly, the Directors (excluding independent non-executive Directors), the chief executive of the Company and their respective associates are required to abstain from voting at the SGM. No Independent Shareholder has informed the Company that their intention to vote in favour of or against the proposed resolutions in connection with the proposed refreshment of Scheme Mandate Limit and Service Provider Sublimit as at the date of this announcement.

Pursuant to Rule 23.03C(2) of the GEM Listing Rules, the total number of shares which may be issued in respect of all options and awards to be granted under all of the schemes of the listed issuer under the scheme mandate as "refreshed" must not exceed 10% of the relevant class of shares in issue (excluding treasury shares) as at the date of approval of the refreshed scheme mandate.

As at the date of this announcement, the Company has no concrete plan or intention to grant any further award shares to be issued under all of the schemes of the Company immediately after obtaining the Shareholders' approval for the proposed refreshment of the Scheme Mandate Limit and Service Provider Sublimit. However, the Board does not rule out the possibility that the Company will grant any award shares under all of the schemes of the Company in future when such need arises in order to incentivize the selected eligible participants under the Share Award Scheme. The Company will make further announcement in this regard in accordance with the GEM Listing Rules as and when appropriate.

General

A SGM will be convened for the purpose of considering and, if thought fit, to approve the proposed refreshment of Scheme Mandate Limit and Service Provider Sublimit by the Independent Shareholders.

The Independent Board Committee, comprising all the independent non-executive Directors, namely Dr. Fong Chi Wah, Mr. Deng Tao and Mr. Li Shaojie will be established to advise the Independent Shareholders on the proposed refreshment of Scheme Mandate Limit and Service Provider Sublimit.

The Independent Financial Adviser will be appointed to advise the Independent Board Committee and the Independent Shareholders in respect of the proposed refreshment of Scheme Mandate Limit and Service Provider Sublimit.

A circular containing, among other things, further details on the proposed refreshment of Scheme Mandate Limit and Service Provider Sublimit, including the recommendation from the Independent Board Committee to the Independent Shareholders in relation to the proposed refreshment of Scheme Mandate Limit and Service Provider Sublimit and the recommendation from the Independent Financial Adviser to the Independent Board Committee in relation to the proposed refreshment of Scheme Mandate Limit and Service Provider Sublimit, together with a notice convening the SGM will be published on the websites of the Stock Exchange and the Company as soon as practicable accordance with the GEM Listing Rules.

Shareholders and potential investors of the Company should note that the proposed refreshment of Scheme Mandate Limit and Service Provider Sublimit are conditional upon satisfaction of the conditions set out above. Therefore, the proposed refreshment of Scheme Mandate Limit and Service Provider Sublimit may or may not proceed.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares and other securities of the Company. If they are in any doubt, they should consult their professional advisers.

DEFINITIONS

Unless the context requires otherwise, the terms below have the following meanings in this announcement:

"2023 AGM Scheme Mandate Limit"	the maximum number of Shares which may be issued in respect of all options and awards to be granted under all share schemes of the Company involving the issue of new shares, being 1,842,164,209 Shares approved at the 2023 AGM and representing 10% of the Shares in issue as at the date of the 2023 AGM
"2023 AGM"	the annual general meeting of the Company held on 29 June 2023 at which (among others) the resolutions for the grant of the general mandate to the Directors and the adoption of the 2023 AGM Scheme Mandate Limit was passed by the Shareholders
"Award Shares"	award shares, each representing a contingent right to receive one Share, which may be issued in respect of all options and awards to be granted under all share schemes of the Company involving the issue of new shares

"Board"	the board of Directors of the Company
"controlling shareholder"	has the meaning ascribed to it under the GEM Listing Rules
"Company"	Youzan Technology Limited (有贊科技有限公司) (formerly known as China Youzan Limited 中國有贊有限公司), a company incorporated in Bermuda with limited liability and the Shares of which are listed on the GEM
"Director(s)"	the director(s) of the Company
"GEM"	GEM of the Stock Exchange
"GEM Listing Rules"	the Rules Governing the Listing of Securities on GEM of the Stock Exchange
"Group"	the Company and its subsidiaries
"Independent Financial Adviser"	the independent financial adviser to be appointed to advise the Independent Board Committee and the Independent Shareholders in relation to the proposed refreshment of Scheme Mandate Limit and Service Provider Sublimit thereto
"Independent Shareholders"	any Shareholders other than the controlling shareholder (or if there is no controlling shareholder, the Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates)
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China
"Listing Committee"	the Listing Committee of the Stock Exchange
"Scheme Mandate Limit"	the maximum number of Shares which may be issued in respect of all options and awards to be granted under all share schemes of the Company involving the issue of new shares to be approved at the SGM and representing 10% of the Shares in issue as at the date of the SGM

"Service Provider"	person(s) who provide services to the Group on a continuing and recurring basis in its ordinary and usual course of business which are in the interests of the long-term growth of the Group, including person(s) who work for the Company as independent contractors (including advisers, consultants, distributors, contractors, suppliers, agents and service providers of any member of the Group) where the continuity and frequency of their services are akin to those of employees, but excluding placing agents or financial advisers providing advisory services for fundraising, mergers or acquisitions or professional service providers such as auditors or valuers who provide assurance, or are required to perform their services with impartiality and objectivity
"Service Provider Sublimit"	the sublimit for Service Providers of the Group pursuant to all options and awards to be granted under all share schemes of the Company
"Share(s)"	the issued ordinary share(s) of HK$0.01 each in the share capital of the Company
"Shareholder(s)"	shareholder(s) of the Company
"Share Award Plan A"	the share award plan A adopted by Youzan Technology on 6 May 2021
"SGM"	a special general meeting to be convened by the Company to consider, if thought fit, and approve the proposed refreshment of Scheme Mandate Limit and Service Provider Limit and transactions contemplated thereunder
"Stock Exchange"	The Stock Exchange of Hong Kong Limited

"Youzan Technology"	Youzan Technology Inc. (formerly known as Qima Holdings Ltd.), an exempted company incorporated in the Cayman Islands with limited liability on 11 August 2014, and a direct wholly owned subsidiary of the Company
"%"	per cent

By order of the Board
Youzan Technology Limited
Zhu Ning
Chairman

Hong Kong, 4 September 2024

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

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

This announcement will remain on the Stock Exchange's website at www.hkexnews.hk on the "Latest Listed Company Information" page for at least 7 days from the date of its publication and on the Company's website at www.youzan.com.