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China Youzan Limited

中國有贊有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 8083)

SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO CONNECTED TRANSACTION OF SUBSCRIPTION OF SHARES IN A NON-WHOLLY OWNED SUBSIDIARY

Reference is made to the announcement of the Company dated 16 September 2020 (the “**Announcement**”). Capitalized terms used herein shall have the same meanings as those capitalized terms used in the Announcement unless the context requires otherwise.

The Board wishes to provide the Shareholders and potential investors of the Company with additional information in relation to Qima Holdings Ltd. as previously disclosed in the Announcement as follows:

Shareholding structure of Qima Holdings Ltd. immediately before the Subscription was as follows:

Shareholders of Qima Holdings Ltd.	% of shareholding immediately before the Subscription
Company	50.76%
Whitecrow Investment Ltd. <i>(Note 1)</i>	10.54%
V5. Cui Investment Ltd. <i>(Note 2)</i>	1.77%
Youzan Teamwork Inc. <i>(Note 3)</i>	4.52%
Rory Huang Investment Ltd. <i>(Note 4)</i>	0.36%
Qima Teamwork Inc. <i>(Note 5)</i>	7.20%
Baidu (Hong Kong) Limited <i>(Note 6)</i>	1.20%
Xincheng Investment Limited <i>(Note 7)</i>	2.33%
Aves Capital, LLC <i>(Note 8)</i>	1.47%
Hillhouse KDWD Holdings Limited <i>(Note 9)</i>	5.13%
Ralston Global Holdings Limited <i>(Note 10)</i>	0.57%
Hangzhou San Ren Yan Xing Investment Partnership (LLP) <i>(Note 11)</i>	0.57%
Franchise Fund Limited <i>(Note 12)</i>	1.66%
Happy Zan Holdings Limited <i>(Note 13)</i>	0.47%
Tembusu HZ II Limited <i>(Note 14)</i>	6.11%
Matrix Partners China III, L.P. <i>(Note 15)</i>	2.58%
Matrix Partners China III-A, L.P. <i>(Note 16)</i>	0.29%
GCYZ HOLDINGS LIMITED <i>(Note 17)</i>	0.42%
GCQM HOLDINGS LIMITED <i>(Note 18)</i>	2.05%
Total	<u>100.00%</u>

Notes:

1. Whitecrow Investment Ltd. was wholly owned by Mr. Zhu Ning, a Director and substantial shareholder of the Company.
2. V5. Cui Investment Ltd. was wholly owned by Mr. Cui Yusong, a Director.

3. Youzan Teamwork Inc. was owned as to 8% by Mr. Zhu Ning, 18% by Whitecrow Investment Ltd., 8% by V5.Cui Investment Ltd., 8% by Vulcan Global Holdings Inc. (100% beneficially owned by Mr. Yu Tao, a Director), 8% by Mr. Huang Rongrong (a director of Qima Holdings Ltd.), 30% by Rory Huang Investment Ltd. (ultimate beneficial holder was Mr. Huang Rongrong (a director of Qima Holdings Ltd.)), 8% by Elrino Investment Ltd. (100% beneficially owned by Ms. Ying Hangyan, a Director), 6% by Sphinxleo Limited (100% beneficially owned by Mr. Huan Fang, the chief operating officer of the Company) and 6% by Mr. Zhou Kai (a member of senior management of a subsidiary of Qima Holdings Ltd.).
4. Rory Huang Investment Ltd.'s ultimate beneficial holder was Mr. Huang Rongrong (a director of Qima Holdings Ltd.).
5. Qima Teamwork Inc. was held by Mr. Hong Bo (being an independent third party).
6. An affiliate of Baidu Inc., a company listed on NASDAQ (stock code: BIDU), being an independent third party.
7. Xincheng Investment Limited was wholly owned by Mr. Li Zhiguo, a director of Qima Holdings Ltd.
8. Aves Capital, LLC was controlled by Mr. Xiong Minghua, being an independent third party.
9. Hillhouse KDWD Holdings Limited was beneficially owned by Hillhouse Fund II, L.P., being an independent third party.
10. Ralston Global Holdings Limited was wholly owned by Ms. Wen Qun, being an independent third party.
11. Hangzhou San Ren Yan Xing Investment Partnership (LLP) was controlled by Mr. Cao Guoxiong, being an independent third party.
12. Franchise Fund Limited was a discretionarily managed fund managed by Franchise Capital Limited, being an independent third party.
13. Happy Zan Holdings Limited was ultimately controlled by Mr. Wang Haining, being an independent third party.
14. Tembusu HZ II Limited was beneficially owned by Jingwei Chuangda (Hangzhou) Investment L.P., being an independent third party.
15. Matrix Partners China III, L.P. was beneficially owned by Matrix China III GP GP, Ltd., being an independent third party.
16. Matrix Partners China III-A, L.P. was beneficially owned by Matrix China III GP GP, Ltd., being an independent third party.
17. GCYZ HOLDINGS LIMITED was wholly-owned by Gaocheng Fund I, L.P. being an independent third party.
18. GCQM HOLDINGS LIMITED was wholly-owned by GCQM L.P., being an independent third party.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following term has the following meanings:

“independent third party(ies)” an individual(s) or a company(ies) who or which, as far as the Directors are aware after having made all reasonable enquiries, is/are not a connected person(s) of the Company within the meaning of the GEM Listing Rules

By Order of the Board
China Youzan Limited
Guan Guisen
Chairman

Hong Kong, 22 September 2020

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

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

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