

ANNEX IV

INVESTOR PRESENTATION RELATING TO THE PROPOSAL

**BetaCafe Holdings Limited**  
*(incorporated in the British Virgin Islands with  
limited liability)*



**China Youzan Limited**  
中國有贊有限公司  
*(Incorporated in Bermuda with limited liability)*  
(Stock Code: 8083)

# Investor presentation

26 February 2021

Reference is made to the announcement published by BetaCafe Holdings Limited and China Youzan Limited (“China Youzan”) dated 26 February 2021 pursuant to Takeovers Code in relation to the pre-conditional take private proposal for China Youzan by way of a scheme of arrangement under section 99 of the Companies Act 1981 of Bermuda (as amended) (the “Announcement”). This presentation (the “Presentation”) sets out a brief summary of the Proposal as set out in further detail in the Announcement. Shareholders and potential investors of China Youzan are advised to read the Announcement in its entirety for further information relating to the Proposal. The Announcement is available on the website of The Stock Exchange of Hong Kong Limited at [www.hkexnews.hk](http://www.hkexnews.hk), and the website of China Youzan. Unless otherwise defined in this Presentation, capitalised terms used in this Presentation shall have the same meanings as those defined in the Announcement.

# Disclaimer

This Presentation is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities of China Youzan, nor is it an invitation or offer to or a solicitation of any offer to acquire, purchase or subscribe for securities of China Youzan in any jurisdiction in which such invitation, offer, solicitation or sale would be unlawful absent the filing of a registration statement or the availability of an applicable exemption from registration or other waiver. This Presentation is not for release, publication or distribution in or into any other jurisdiction where to do so would constitute a violation of the relevant laws of such jurisdiction.

**Shareholders and potential investors of China Youzan should be aware that the making of the Proposal is subject to the satisfaction or waiver (as applicable) of the Scheme Pre-Conditions. Even if the Proposal is made, the implementation of the Proposal (including the effectiveness of the Scheme), is subject to the satisfaction or waiver (as applicable) of the Scheme Conditions, and therefore the Proposal may or may not be implemented and the Scheme may or may not become effective. Shareholders and potential investors of China Youzan should therefore exercise caution when dealing in the securities of China Youzan. Persons who are in doubt as to the action they should take should consult their stockbrokers, bank managers, solicitors or other professional advisers.**

The Proposal is being made to cancel the securities of a Bermuda company by means of a scheme of arrangement provided for under the laws of Bermuda and is subject to Hong Kong disclosure requirements which are different from those of the United States.

A transaction effected by means of a scheme of arrangement is not subject to the tender offer rules of the U.S. Securities Exchange Act of 1934, as amended. Accordingly, the Proposal is subject to the disclosure requirements and practices applicable in Bermuda and Hong Kong to schemes of arrangement which differ from the disclosure and procedural requirements applicable under the U.S. federal securities laws.

The receipt of cash pursuant to the Proposal by a U.S. holder of Scheme Shares as consideration for the cancellation of the Scheme Shares pursuant to the Scheme may be a taxable transaction for U.S. federal income tax purposes and under applicable U.S. state and local, as well as foreign and other tax laws. Each holder of Scheme Shares is urged to consult his independent professional adviser immediately regarding the tax consequences of the Proposal applicable to him.

It may be difficult for U.S. holders of Scheme Shares to enforce their rights and claims arising out of the U.S. federal securities laws, since the Offeror and China Youzan are located in a country other than the United States, and some or all of their officers and directors may be residents of a country other than the United States. U.S. holders of Scheme Shares may not be able to sue a non-U.S. company or its officers or directors in a non-U.S. court for violations of the U.S. securities laws. Further, it may be difficult to compel a non-U.S. company and its affiliates to subject themselves to a U.S. court's judgement.

All statements, other than statements of historical facts included in the Announcement, are or may be forward-looking statements. Forward-looking statements include, but are not limited to, those using words such as “seek”, “expect”, “envisage”, “anticipate”, “estimate”, “believe”, “intend”, “project”, “plan”, “strategy”, “forecast” and similar expressions or future or conditional verbs such as “will”, “would”, “should”, “could”, “may” and “might”. These statements reflect the Offeror's or China Youzan's (as the case may be) current expectations, beliefs, hopes, intentions or strategies regarding the future and assumptions in light of currently available information. Such forward-looking statements are not guarantees of future performance or events and involve known and unknown risks and uncertainties.

Accordingly, actual results may differ materially from those described in such forward-looking statements as a result of a number of factors, including, without limitation, (a) the satisfaction or waiver (as applicable) of the Scheme Pre-Conditions; (b) the satisfaction or waiver (as applicable) of the Scheme Conditions; (c) any changes in the regulatory regime and significant policies for the industries in which China Youzan and/or Youzan Technology respectively operates, or any in the regulatory policies of the relevant government authorities of the PRC; (d) any changes in the effects of competition on the market demand and sale price of the products provided by China Youzan and Youzan Technology; and (e) any changes in political, economic, legal and social conditions in the PRC and other countries in which the Offeror, China Youzan and/or Youzan Technology operates.

Other unknown or unpredictable factors could cause actual results to differ materially from those in the forward-looking statements. China Youzan Shareholders and investors should not place undue reliance on such forward-looking statements.

All written and oral forward-looking statements attributable to the Offeror and China Youzan or persons acting on behalf of either of them are expressly qualified in their entirety by the cautionary statements above. The forward-looking statements included herein are made only as at the Announcement Date. Subject to the requirements of the applicable laws, rules and regulations, including the Takeovers Code, neither the Offeror and China Youzan undertake any obligation to update publicly or revise any forward-looking statements contained in the Announcement.

**Scheme Shareholders, investors and potential investors of China Youzan and Youzan Technology should also note that the value of the Youzan Technology Shares estimated by the Valuer does not represent the trading price of Youzan Technology Shares immediately following completion of the Youzan Technology Listing or at any time. Upon the Youzan Technology Listing, the trading price of Youzan Technology Shares may fluctuate subject to prevailing market conditions and may materially differ from the value estimated by the Valuer. Accordingly, Scheme Shareholders, investors and potential investors of China Youzan and Youzan Technology should not rely on the Valuer's estimated value of Youzan Technology Shares as the basis for the trading price of the Youzan Technology Shares upon completion of the Youzan Technology Listing.**

## Overview of the Proposal

The Offeror and China Youzan jointly announce that, on 26 February 2021, the Offeror requested the Board to, subject to the satisfaction or waiver (as applicable) of the Scheme Pre-Conditions, put forward the Proposal which comprises (i) the Distribution of the Youzan Technology Shares held by China Youzan to all China Youzan Shareholders, such shares which are proposed to be listed on the Main Board of the Stock Exchange by way of introduction pursuant to the Youzan Technology Listing; and (ii) the taking private of China Youzan, after the completion of the Distribution.

### Upon completion of the Proposal:

① <b>Distribution</b>	<ul style="list-style-type: none"><li>• The China Youzan Shareholders whose names appear on the register of members of China Youzan as at the Record Date will become shareholders of Youzan Technology pursuant to the Distribution.</li></ul>
② <b>Youzan Technology Listing</b>	<ul style="list-style-type: none"><li>• The entire Youzan Technology Shares will become listed on the <b>Main Board</b> of the Stock Exchange by way of introduction.</li></ul>
③ <b>Take private and delisting of China Youzan</b>	<ul style="list-style-type: none"><li>• The listing of China Youzan Shares on <b>GEM</b> of the Stock Exchange will be withdrawn.</li></ul>

# Key terms of the Proposal

## ① Scheme Consideration in cash

- Upon the fulfilment or waiver (as applicable) of the Scheme Conditions and the Scheme becoming effective, all Scheme Shares (which excludes the Excluded Shares, being the China Youzan Shares held by the China Youzan Excluded Shareholders) will be cancelled. The Scheme Shareholders will receive from the Offeror HK\$0.1352 in cash for every Scheme Share cancelled.

## ② Distribution of Youzan Technology Shares

- Subject to the fulfillment of the Distribution Conditions which are not waivable, the China Youzan Shareholders whose names appear on the register of members of China Youzan as at the Record Date will receive their pro rata entitlement of all of the Youzan Technology Shares held by China Youzan by using the following formula:

*For illustration purposes only:*

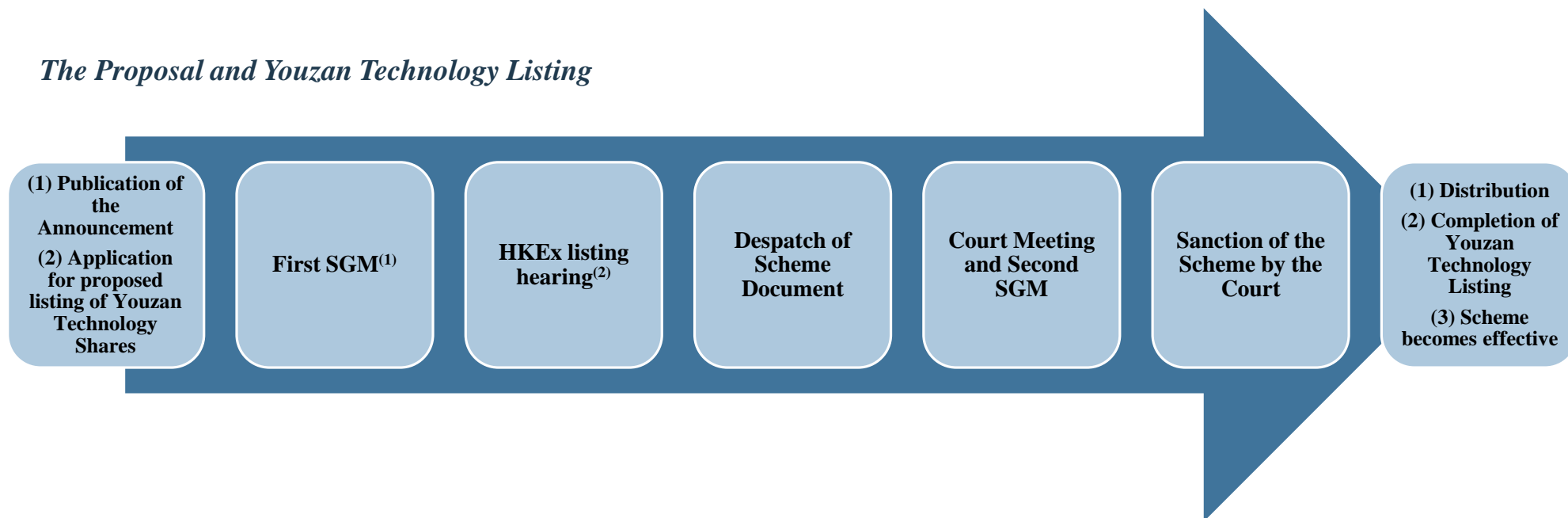
$$\frac{A}{B} = C \text{ where:}$$

A =	876,336,232 shares, being the total number of Youzan Technology Shares held by China Youzan as at the Record Date.
B =	17,260,003,617 shares, being the total number of China Youzan Shares in issue as at the Record Date.
C =	0.05077265 shares, the approximate number of Youzan Technology Shares entitled to be received by China Youzan Shareholders

Each China Youzan Shareholder will be entitled to receive 0.05077265 Youzan Technology Share for every China Youzan Share under the Distribution.

# Milestones and Approval Process

## *The Proposal and Youzan Technology Listing*



### Shareholders' approval:

**Court Meeting:** (i) the approval of the Scheme (by way of poll) by a majority in number of Scheme Shareholders representing not less than three-fourths in value of the Scheme Shares held by the Scheme Shareholders present and voting either in person or by proxy at the Court Meeting; (ii) the approval of the Scheme (by way of poll) by Disinterested Scheme Shareholders holding at least 75% of the votes attaching to the Disinterested Scheme Shares that are voted either in person or by proxy at the Court Meeting; and (iii) the number of votes cast (by way of poll) by the Disinterested Scheme Shareholders present and voting either in person or by proxy at the Court Meeting against the resolution to approve the Scheme at the Court Meeting is not more than 10% of the votes attaching to all Disinterested Scheme Shares held by all the Disinterested Scheme Shareholders.

**Second SGM:** the passing of a special resolution by a majority of not less than three-fourths of the votes cast by the China Youzan Shareholders present and voting, in person or by proxy, at the Second SGM to approve, among other things, (i) the reduction of the issued share capital of China Youzan by the cancellation of the Scheme Shares; (ii) the restoration of the issued share capital of China Youzan to the amount immediately prior to the cancellation of the Scheme Shares by the issuance to the Offeror such number of new China Youzan Shares as is equal to the number of Scheme Shares cancelled, credited as fully paid at par; (iii) the reduction of the share premium of China Youzan by cancellation of the whole amount standing in the share premium account of China Youzan; (iv) the transfer of the credit arising from such share premium reduction to the contributed surplus account of China Youzan; and (v) the making of the Distribution.

*Note 1:* The First SGM will be convened by China Youzan to consider and approve the implementation of the Special Deal Arrangements, details of which please refer to the Announcement.

*Note 2:* The timing of passing the HKEx listing hearing shall be subject to the communication with regulators and the specific review procedures.

## Reasons and benefits of the Proposal

1

### • Objectives and reasons of the Proposal

- ◆ Youzan Technology plans to further develop the SaaS Business which is now in the stage of high-speed development, providing merchants with a one-stop solution in building up online stores to operate and manage their business on various media channel (such as WeChat, QQ, Weibo, Baidu and Kuaishou, etc.) and also enable them to digitalise their offline stores.
- ◆ The overall Proposal seeks to achieve two main objectives: (a) to achieve the primary listing of the Youzan Technology Shares on the Main Board of the Stock Exchange with the aim of unlocking value for the China Youzan Shareholders through unlocking the growth potential in the Youzan Technology Group and further developing the SaaS Business; and (b) to take private China Youzan which will hold the remaining assets in respect of the Payment & Other Business after the proposed Distribution and the proposed Youzan Technology Listing.

## Reasons and benefits of the Proposal

### 2

- Industry growth drivers of the SaaS Business and the unlocking of growth potential in the Youzan Technology Group

Leveraging Youzan Technology Group's first-mover advantage and continuous innovation in its SaaS Business, the Youzan Technology Group effectively addressed the pain points of merchants' online operations and bring success to their business with profound insights of the new retail model in China. As the leading player of the PRC cloud-based commerce service industry, it is believed that the Youzan Technology Group would be able to capitalise the following industry trends and help serve merchants to succeed:

- ① the increasing mobile internet penetration in China;
- ② the rapid development of the online retail market;
- ③ the strong consumption potential of Chinese residents;
- ④ the large potential merchant base and increasing demand for digitalisation; and
- ⑤ the development of the decentralised e-commerce market.

Youzan Technology Group also offers various value-added services through its merchant solutions so as to address merchants' online and/or offline operational needs, in order to build up a closed-loop ecosystem to help merchants succeed. Through this ecosystem, Youzan Technology Group can further enhance its market value and unlock the growth potential in the Youzan Technology Group.

## Reasons and benefits of the Proposal

### 3

#### • Strategic plans of the Youzan Technology Group

- Keep helping grow the merchants' sales

The Youzan Technology Group believes that its business value is commensurate with the continued success attained by its merchants and therefore the first growth strategy of the Youzan Technology Group is to keep helping grow its merchants' sales. The more sales a merchant could generate through subscription solutions and merchant solutions) provided by Youzan Technology Group, the greater the financial return the Youzan Technology Group would receive in exchange for the value it created for such merchants.

- Further increase the size of the merchant base

The Youzan Technology Group will further increase the size of its merchant base and it believes that it is well-positioned to capitalise the growth of the decentralised ecommerce market in China. Merchants of all sizes demand user-friendly and efficient management tools to digitalise their business operations, manage their online customer traffic as well as integrate their operations of online and offline business. The Youzan Technology Group intends to continuously design and launch new solutions and optimise its existing offerings to capitalise these industry trends.

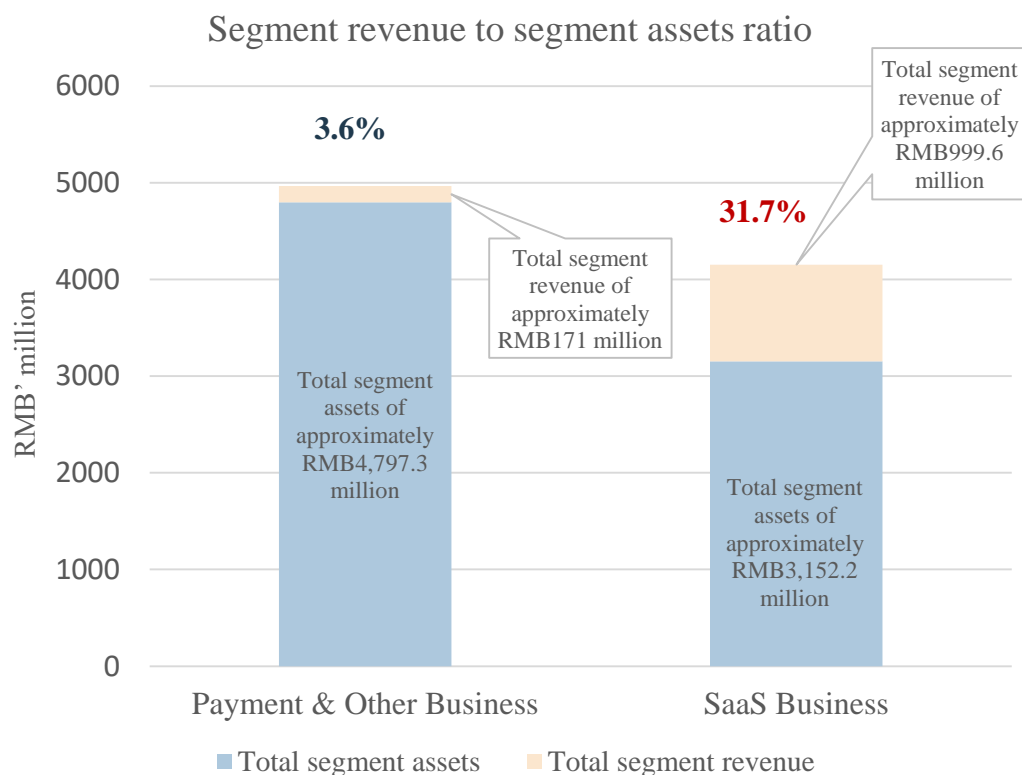
With the completion of the Proposal, Youzan Technology Group will achieve structural optimisation and operation realignment enabling it to accelerate the implementation of its SaaS business strategies so that it can further strengthen its leadership in the PRC cloud-based commerce services industry.



## Reasons and benefits of the Proposal

4

- Ability to generate substantially more revenue with total assets of the SaaS Business than that of the Payment & Other Business



- As demonstrated in the chart, the China Youzan Group is able to generate substantially more revenue with the total segment assets of the SaaS Business as compared with the total segment assets of the Payment & Other Business.
- Accordingly, the China Youzan Group is able to manage the financial resources of the SaaS Business in a substantially more efficient and effective manner than that of the Payment & Other Business.

*Note:* The figures presented in the above are based on figures extracted from audited consolidated financial statements of China Youzan for the year ended 31 December 2019 as disclosed in its 2019 Annual Report.

## Reasons and benefits of the Proposal

### 5

#### • Benefits to the Scheme Shareholders

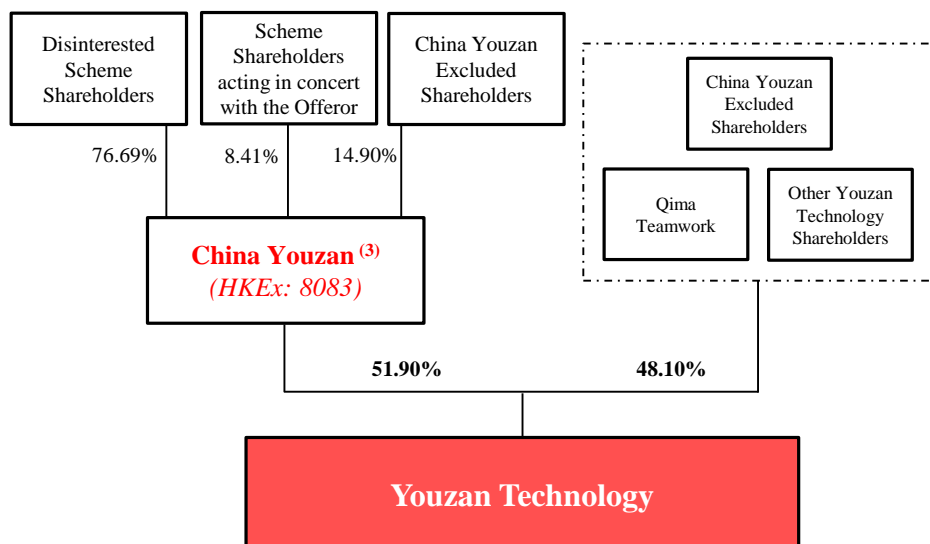
- The scale of the Payment & Other Business is relatively small compared with that of its peers (including other leading Chinese third-party payment service providers), while the SaaS Business has a leading market position and promising prospects in the PRC.

The taking private of China Youzan by way of the Scheme under the Proposal would allow the Scheme Shareholders to capitalise the value of the Payment & Other Business with a certain level of cash consideration and enables the Scheme Shareholders to achieve a certain level of return of capital from their investment.

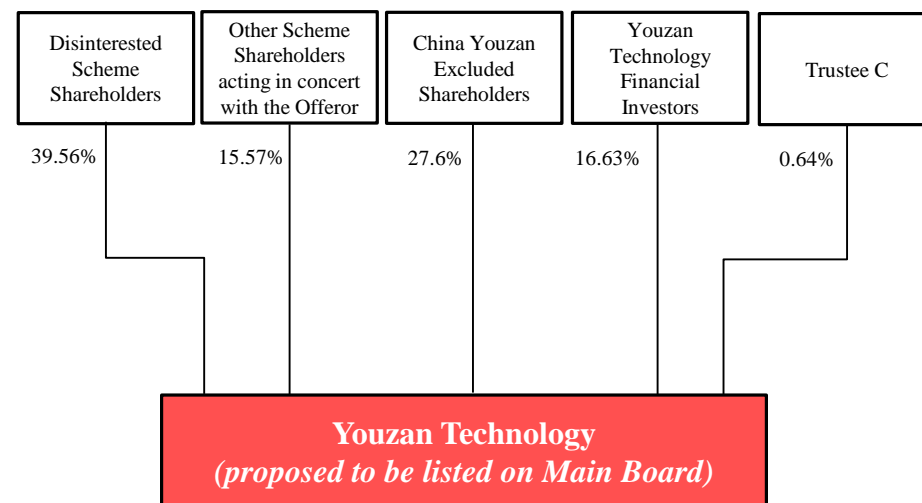
- Following the completion of the Proposal, not only will the Scheme Shareholders be able to continue to participate in the performance of Youzan Technology Group which has a number of competitive edges and is well positioned to enjoy the growth potential of the PRC cloud-based commerce service industry, the Scheme Shareholders will also be able to further unlock the potential value in their investment as a result of the Youzan Technology Listing.

# Appendix - Simplified shareholding structure

## Before the Proposal (1)



## Upon the completion of the Proposal (2)



### Notes:

1. A simplified shareholding structure of Youzan Technology as at the date of Announcement.
2. A simplified shareholding structure of Youzan Technology immediately upon completion of the Youzan Technology Listing and the Proposal (and the Scheme becoming effective).
3. The listing of China Youzan Shares on GEM of the Stock Exchange will be withdrawn upon the completion of the Proposal.