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SHEN YOU HOLDINGS LIMITED

申酉控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8377)

SUPPLEMENTAL ANNOUNCEMENT PROFIT WARNING

This announcement is made by Shen You Holdings Limited (the “**Company**” and, together with its subsidiaries, the “**Group**”) pursuant to rule 17.56(2) of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”) and the Inside Information Provisions (as defined in the GEM Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the Company’s profit warning announcement dated 17 March 2020 (the “**Announcement**”). Capitalised terms used herein shall have the same meanings as defined in the Announcement unless the context requires otherwise.

The Board wishes to further inform the Shareholders and potential investors that, based on the preliminary review of the unaudited consolidated management accounts of the Group for the year ended 31 December 2019, it is expected that the Group would record an increase in the net loss by over HK\$8.1 million, or 75%, as compared to the loss for the year ended 31 December 2018, which was mainly attributable to (i) the decrease in revenue by over HK\$5.0 million resulting from keen competition; (ii) impairment loss of around HK\$3.9 million in respect of property, plant and equipment and right-of-use assets; and (iii) write-off of deferred tax assets recognised in previous years of approximately HK\$2.6 million.

The Company is still in the process of finalising the annual results of the Group for the year ended 31 December 2019. The information contained in this announcement is only based on the preliminary assessment made by the Board with reference to the unaudited consolidated management accounts of the Group for the year ended 31 December 2019 and the information currently available to the Board, which have not been audited or reviewed by the Company’s auditor and the Company’s audit committee. Shareholders and potential investors are advised to read carefully the annual results announcement of the Company for the year ended 31 December 2019.

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

By order of the Board
Shen You Holdings Limited
Wong Kwok Wai, Albert
Chairman and executive Director

Hong Kong, 19 March 2020

As at the date of this announcement, the Board comprises two executive Directors, namely, Mr. Wong Kwok Wai, Albert and Mr. Chan Yiu Tung, Enoch; one non-executive Director, namely, Mr. Gao Biao; and three independent non-executive Directors, namely, Dr. Yeung Ngai Man, John, Mr. Sung Alfred Lee Ming and Mr. Zhang Guofu.

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 at www.hkgem.com for at least 7 days from the date of its posting and on the website of the Company at www.shenyouholdings.com.