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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)

APPOINTMENT OF INTERNAL CONTROL ADVISER AND FURTHER DELAY IN DESPATCH OF CIRCULAR RELATING TO MAJOR AND CONNECTED TRANSACTION — PROVISION OF FINANCIAL ASSISTANCE TO CONNECTED PERSON

Reference is made to the announcements (the “**Announcements**”) of Shen You Holdings Limited (the “**Company**”) dated 31 March 2020, 21 April 2020, 8 May 2020, 5 June 2020, 3 July 2020, 14 August 2020, 18 September 2020, 16 October 2020, 20 November 2020 and 17 December 2020, respectively, in relation to, among other things, the proposed connected transaction in relation to the provision of financial assistance under the PRC Loan Agreement. Unless otherwise stated, capitalised terms used herein shall have the same meanings as ascribed thereto in the Announcements.

APPOINTMENT OF INTERNAL CONTROL ADVISER

As disclosed in the announcement of the Company dated 31 March 2020, as part of the steps of the Company to strengthen its internal controls over the accounting and payment procedures of all transactions with connected persons, the Company has appointed Asian Alliance Financial Advisory Services Limited as the independent internal control adviser of the Company (the “**Internal Control Adviser**”) to conduct a review of and identify any deficiencies of the Company’s internal control systems for monitoring the connected transactions under the GEM Listing Rules and make recommendations to enhance the internal control policies.

The Board has received the first draft report of the internal control review from the Internal Control Adviser in mid-January 2021. The management of the Company has been communicating and liaising with the Internal Control Adviser in connection with their findings and will continue to provide information to the Internal Control Adviser to clarify some of the findings. It is expected that the final report of the internal control review will be

completed and issued by the end of February 2021 and the management of the Company expects that the measures recommended by the Internal Control Adviser will be implemented by the end of June 2021. The Internal Control Adviser will perform further review on the implementation status of the recommended measures which is expected to be completed by the end of June 2021. The Company will provide an update on the findings and suggestions of the internal control review as and when appropriate by way of a separate announcement.

FURTHER DELAY IN DESPATCH OF CIRCULAR

As disclosed in the Announcements, a circular (the “**Circular**”) containing, among other things, (i) further details of the PRC Loan Agreement and the transactions contemplated thereunder; (ii) the advice and recommendation of the Independent Board Committee to the Independent Shareholders; (iii) the letter from the independent financial adviser containing its advice to the Independent Board Committee and the Independent Shareholders in relation to the PRC Loan Agreement; (iv) a notice convening the EGM; and (v) other information required under the GEM Listing Rule, was expected to be despatched to the Shareholders on or about 4 February 2021.

As additional time is required for the Company to finalise the information to be included in the Circular, including but not limited to, certain financial information of the Group, the date of despatch of the Circular is expected to be postponed to a date falling on or before 25 February 2021.

By order of the Board
Shen You Holdings Limited
Chan Yiu Tung, Enoch
Executive Director

Hong Kong, 28 January 2021

As at the date of this announcement, the Board comprises three executive Directors, namely, Mr. Wong Kwok Wai, Albert, Mr. Chan Yiu Tung, Enoch and Mr. Leung King Yue, Alex; and three independent non-executive Directors, namely, Mr. Sung Alfred Lee Ming, Mr. Chan Tsun Choi, Arnold and Mr. Chow Chin Hang, Joel.

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 GEM website at www.hkgem.com on the “Latest Company Announcements” page for at least 7 days from the date of its posting and on the website of the Company at www.shenyouholdings.com.