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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**

## **SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE AND PLACING OF NEW SHARES UNDER GENERAL MANDATE**

**Placing Agent**



**UPBEST SECURITIES COMPANY LIMITED**

Reference is made to the announcement of Shen You Holdings Limited (the “**Company**”) dated 19 January 2021 (the “**Announcement**”) in relation to, among other things, the Subscription and the Placing. Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the Announcement.

The Board wishes to provide the Shareholders and potential investors of the Company with additional information in relation to the Subscription and the Placing as follows:

## USE OF PROCEEDS

As disclosed in the Announcement, the maximum net proceeds from the Subscription and the Placing (subject to completion of the Subscription and the Placing and assuming that the Placing Shares are subscribed in full) (the “**Net Proceeds**”) will be approximately HK\$13,950,000, which are intended to be applied in the manner as follows:

<b>Intended application of the Net Proceeds</b>	<b>Percentage of Net Proceeds allocated</b> %	<b>Approximate amount of Net Proceeds allocated</b> HK\$'000	<b>Expected timeline for utilising the Net Proceeds</b>
General working capital of the Group	20%	2,790	Expected to be fully utilised on or before 31 December 2021
Possible investment(s) <i>(Note)</i>	80%	11,160	When opportunity arises and expected to be fully utilised on or before 31 December 2021
Total:	<u>100.00%</u>	<u>13,950</u>	

*Note:* The Company is constantly reviewing the Group’s existing business portfolio and operations and seeking suitable investment opportunities (which may include existing and/or new businesses) with a view to increasing the value of the Group and maximising returns to the Shareholders. As at the date of this announcement, the Company is in the course of conducting feasibility study of various investment opportunities, but has not identified any target business or investment. As at the date of this announcement, the Company intends to jointly invest in quality thoroughbred with the Subscriber and/or his associate(s), but has no intention to inject or acquire the horse racing and breeding operations of the Subscriber and/or any existing quality thoroughbred from the Subscriber and/or his associate(s) to the Group. In the event that any potential acquisition(s) and/or investment(s) materialises, the Company will make further announcement(s) in this regard in compliance with the GEM Listing Rules as and when appropriate.

As at the date of this announcement, save as disclosed above, the Company and the Directors have no intention, arrangement, agreement, understanding, negotiation (expressed or implied, concluded or otherwise) on (i) any disposal, termination or scaling-down of the existing business of the Group; (ii) injection or acquisition of any new assets or new businesses to the Group; or (iii) any change in the composition of the Board.

## EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

Reference is made to the circular of the Company dated 13 January 2021 (the “**Circular**”) in relation to, among other things, the acquisition (the “**Acquisition**”) of the entire issued share capital of and the sale loans due by Diamond Motto Limited (the “**Target Company**”).

To the best of the Directors' knowledge, information and belief after having made all reasonable enquires, the shareholding structure of the Company (i) as at the date of this announcement; (ii) immediately upon completion of the Subscription and the Placing (assuming that the Placing Shares are subscribed in full and there is no other change in the shareholding structure of the Company from the date of this announcement to the date of completion of the Subscription and Placing); and (iii) immediately upon completion of the Subscription, the Placing and the Acquisition (assuming that the Placing Shares are subscribed in full and there is no other change in the shareholding structure of the Company from the date of this announcement to the date of completion of the Subscription, Placing and Acquisition) are set out below:

Shareholders	As at the date of this announcement		Immediately upon completion of the Subscription and Placing (assuming the Placing Shares are subscribed in full)		Immediately upon completion of the Subscription, Placing and Acquisition (assuming the Placing Shares are subscribed in full)	
	Number of issued Shares	Approximate Percentage	Number of issued Shares	Approximate Percentage	Number of issued Shares	Approximate Percentage
Three Gates <sup>(Note 1)</sup>	120,000,000	50.00%	120,000,000	41.67%	120,000,000	33.76%
Mr. Leung King Yue, Alex (“Mr. Leung”) <sup>(Note 2)</sup>	10,000,000	4.17%	10,000,000	3.47%	10,000,000	2.81%
Mr. Leung Tat Chi (“Vendor A”) <sup>(Note 3)</sup>	1,600,000	0.67%	1,600,000	1.48%	17,460,466	4.91%
Loyal Grace Investments Limited (“Vendor B”) <sup>(Note 3)</sup>	—	—	—	—	16,852,711	4.74%
Key Summit Enterprises Limited (“Vendor C”) <sup>(Note 3)</sup>	—	—	—	—	16,852,711	4.74%
Glory Radiance International Limited (“Vendor D”) <sup>(Note 3)</sup>	—	—	—	—	17,875,972	5.03%
Subscriber	—	—	24,000,000	8.33%	24,000,000	6.75%
Placees	—	—	24,000,000	8.33%	24,000,000	6.75%
Other public Shareholders	<u>108,400,000</u>	<u>45.16%</u>	<u>108,400,000</u>	<u>37.64%</u>	<u>108,400,000</u>	<u>30.50%</u>
<b>Total:</b>	<u>240,000,000</u>	<u>100.00%</u>	<u>288,000,000</u>	<u>100.00%</u>	<u>355,441,860</u>	<u>100%</u>

Notes:

- Three Gates, a company incorporated in the British Virgin Islands, is wholly and beneficially owned by Mr. Wong, who is the executive Director, Chairman, Chief Executive Officer and controlling shareholder of the Company. 80,000,000 Shares held by Three Gates have been charged in favour of Gold-Face Finance Limited (“Gold-Face”) as security for a loan granted in favour of Mr. Wong. Gold-Face is direct wholly-owned by Upbest Credit and Mortgage Limited, which is in turn owned as to 50% by Good Foundation Company Limited (“Good Foundation”) and 50% by Upbest Strategic Company Limited (“Upbest Strategic”). Each of Good Foundation and Upbest Strategic is a direct wholly-owned subsidiary of Upbest Financial Holdings Limited, which is in turn wholly-owned by Upbest Group Limited. As such, Upbest Credit and Mortgage Limited, Upbest Strategic Company Limited, Good Foundation Company Limited, Upbest Financial Holdings Limited and Upbest Group Limited are all deemed to be interested in the security interest in the 80,000,000 Shares charged in favour of Gold-Face by virtue of the SFO.

2. Mr. Leung is an executive Director.
3. A conditional sale and purchase agreement dated 18 August 2020 (as amended and supplemented by two extension letters dated 17 November 2020 and 12 January 2021) (the “**Sale and Purchase Agreement**”) was entered into amongst the Company (as purchaser) and Vendor A, Vendor B, Vendor C and Vendor D (as vendors) (collectively, the “**Vendors**”) in respect of the Acquisition.

The consideration for the Acquisition is HK\$14,500,000, which shall be satisfied by the Company by way of allotment and issue of an aggregate of 67,441,860 Consideration Shares (as defined in the Circular) credited as fully paid, at the issue price of HK\$0.215 per Consideration Share, to the Vendors (and/or their respective nominee(s)) in the following manner:

- (i) as to HK\$3,410,000, by allotting and issuing 15,860,466 Consideration Shares to Vendor A and/or his nominee(s) upon completion of the Acquisition, and to be delivered to Vendor A and/or his nominee(s) in accordance with the terms and conditions of the Sale and Purchase Agreement and the Escrow Letter (as defined in the Circular);
- (ii) as to HK\$3,623,333, by allotting and issuing 16,852,711 Consideration Shares to Vendor B and/or its nominee(s) upon completion of the Acquisition;
- (iii) as to HK\$3,623,333, by allotting and issuing 16,852,711 Consideration Shares to Vendor C and/or its nominee(s) upon completion of the Acquisition; and
- (iv) as to HK\$3,843,334, by allotting and issuing 17,875,972 Consideration Shares to Vendor D and/or its nominee(s) upon completion of the Acquisition.

As security for the performance of the obligations of Vendor A in respect of the profit guarantee, Vendor A and the Company shall jointly appoint an escrow agent to hold the share certificates in relation to the 15,860,466 Consideration Shares on and subject to the terms and conditions under the Escrow Letter.

Please refer to the Circular for further details of the Acquisition.

4. Certain percentage figures in the above table are subject to rounding adjustments. Accordingly, figures shown as totals may not be an arithmetic aggregation of the figures preceding them.

The additional information set out above does not affect other information contained in the Announcement and the contents in the Announcement remain unchanged.

By order of the Board  
**Shen You Holdings Limited**  
**Mr. Wong Kwok Wai, Albert**  
*Chairman, chief executive officer and executive Director*

Hong Kong, 2 February 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 Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited 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](http://www.hkgem.com) for at least 7 days from the date of its posting and be posted on the website of the Company at [www.shenyouholdings.com](http://www.shenyouholdings.com).*