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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)

COMPLETION OF SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE AND PLACING OF NEW SHARES UNDER GENERAL MANDATE

References are made to the announcements of Shen You Holdings Limited (the “**Company**”) dated 19 January 2021 and 2 February 2021 (the “**Announcements**”) in relation to, among others, the Subscription and the Placing. Unless the context otherwise requires, capitalised terms used herein shall have the same meanings as those defined in the Announcements.

COMPLETION OF SUBSCRIPTION AND PLACING

The Board is pleased to announce that the condition precedent set out in each of the Subscription Agreement and the Placing Agreement has been fulfilled and completion of the Subscription and the Placing took place on 11 February 2021 in accordance with the terms and conditions of the Subscription Agreement and the Placing Agreement.

Pursuant to the terms and conditions of the Subscription Agreement, 24,000,000 Subscription Shares, representing approximately 6.75% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares and Placing Shares immediately after completion of the Subscription and Placing as at the date of this announcement, were allotted and issued at the Subscription Price of HK\$0.30 per Subscription Share to the Subscriber under the General Mandate.

Pursuant to the terms and conditions of the Placing Agreement, an aggregate of 24,000,000 Placing Shares, representing approximately 6.75% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares and Placing Shares immediately after completion of the Subscription and Placing as at the date of this announcement, were successfully placed by the Placing Agent to not less than six Places at the Placing Price of HK\$0.30 per Placing Share under the General Mandate.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Placees and where appropriate, their respective ultimate beneficial owners, are independent institutional, professional and/or individual investors and not connected with any directors, chief executive or substantial shareholders of the Company or its subsidiaries and their respective associates. None of the Placees and their respective associates becomes a substantial Shareholder upon completion of the Subscription and the Placing.

The gross and net proceeds from the Subscription and the Placing are approximately HK\$14,400,000 and HK\$13,950,000, respectively. The Company intends to use such net proceeds for the purposes as disclosed in the Announcements.

EFFECT ON SHAREHOLDING STRUCTURE OF THE COMPANY

References are made to the circular of the Company dated 13 January 2021 (the “**Circular**”) and the announcement of the Company dated 9 February 2021 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, having made all reasonable enquiries, the shareholding structure of the Company (i) immediately prior to completion of the Subscription and Placing; and (ii) immediately after completion of the Subscription and Placing are set out below:

Shareholders	Immediately prior to completion of the Subscription and Placing		Immediately after completion of the Subscription and Placing	
	<i>Number of Shares</i>	<i>Approx. %</i>	<i>Number of Shares</i>	<i>Approx. %</i>
Three Gates Investment Limited (“ Three Gates ”) <i>(Note 1)</i>	120,000,000	39.03	120,000,000	33.76
Mr. Leung King Yue, Alex (“ Mr. Leung ”) <i>(Note 2)</i>	10,000,000	3.25	10,000,000	2.82
Mr. Leung Tat Chi (“ Vendor A ”) <i>(Note 3)</i>	17,460,466	5.68	17,460,466	4.91
Loyal Grace Investments Limited (“ Vendor B ”) <i>(Note 3)</i>	16,852,711	5.48	16,852,711	4.74
Key Summit Enterprises Limited (“ Vendor C ”) <i>(Note 3)</i>	16,852,711	5.48	16,852,711	4.74
Glory Radiance International Limited (“ Vendor D ”) <i>(Note 3)</i>	17,875,972	5.82	17,875,972	5.03
Subscriber	—	—	24,000,000	6.75
Placees	—	—	24,000,000	6.75
Other public Shareholders	108,400,000	35.26	108,400,000	30.50
Total	<u>307,441,860</u>	<u>100.00</u>	<u>355,441,860</u>	<u>100.00</u>

Notes:

1. 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 (“**Upbest Credit and Mortgage**”), 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 (“**Upbest Financial**”), which is in turn wholly-owned by Upbest Group Limited (“**Upbest Group**”). As such, Upbest Credit and Mortgage, Upbest Strategic, Good Foundation, Upbest Financial and Upbest Group 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.

As disclosed in the announcement of the Company dated 9 February 2021, an aggregate of 67,441,860 Consideration Shares (as defined in the Circular) were allotted and issued at the issue price of HK\$0.215 per Consideration Share under the Specific Mandate (as defined in the Circular) upon Completion (as defined in the Circular) in the following manner:

- (i) 15,860,466 Consideration Shares were allotted and issued by the Company to Vendor A and retained by the Escrow Agent (as defined in the Circular) in accordance with the terms and conditions of the Sale and Purchase Agreement and the Escrow Letter (as defined in the Circular);
- (ii) 16,852,711 Consideration Shares were allotted and issued by the Company to Vendor B;
- (iii) 16,852,711 Consideration Shares were allotted and issued by the Company to Vendor C; and
- (iv) 17,875,972 Consideration Shares were allotted and issued by the Company to Vendor D.

As security for the performance of the obligations of Vendor A in respect of the profit guarantee, Vendor A and the Company have jointly appointed the 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.

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.

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

Hong Kong, 11 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 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.