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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 TO THE ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2020 AND THE ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

References are made to the annual results announcement (the “**2020 Annual Results Announcement**”) of Shen You Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) and the annual report (the “**2020 Annual Report**”) of the Company for the year ended 31 December 2020 both published on 26 March 2021.

QUALIFIED OPINION

References are made to the section headed “Extract of the Independent Auditor’s Report” on pages 17 and 18 of the 2020 Annual Results Announcement and the section headed “Independent Auditor’s Report” on pages 67 to 77 of the 2020 Annual Report in respect of the qualified opinion on the consolidated financial statements of the Group for the year ended 31 December 2020 (the “**2020 Qualified Opinion**”) given by the auditor of the Company (the “**Auditor**”).

The board (the “**Board**”) of directors (the “**Directors**”) of the Company wishes to provide the shareholders and potential investors of the Company with additional information in relation to the 2020 Qualified Opinion as set out below.

Following the publication of the press release made by the Independent Commission Against Corruption (the “**ICAC**”) on 25 March 2020 (the “**ICAC Press Release**”), the Auditor requested the findings or outcomes of the investigation conducted by the ICAC on 14 January 2020 (the “**Investigation**”) and details of the allegation (the “**Allegation**”) stated in the ICAC Press Release, in which the Company was associated with. To the best knowledge, information and belief of the Company having made all reasonable enquiries, since the Investigation is ongoing and the Allegation is at the stage of legal proceedings, the Company was unable to provide the Auditor with further information other than the information disclosed in the ICAC Press Release.

As disclosed in the 2020 Annual Results Announcement and the 2020 Annual Report, the basis for the 2020 Qualified Opinion is that since the Investigation was ongoing, the information available was very limited at the current stage. The Auditor was therefore unable to obtain sufficient and appropriate audit evidence to evaluate whether the Investigation may have any impact on the operations and the financial position of the Group.

The Board agrees with the Auditor's view regarding the 2020 Qualified Opinion that limited information in relation to the Investigation or the Allegation can be obtained since the Allegation is at the stage of legal proceedings and the ICAC is unable to provide further information at this stage. However, the Board is of the view, and the audit committee of the Company agrees, that the business operation of the Group remains normal and is not aware of any matter arising out of the Investigation or the Allegation that will have material adverse impact on the business and financial position of the Group.

Having discussed with the Auditor in addressing the 2020 Qualified Opinion, the Company would reassess the impact of the Investigation and/or Allegation on the operations and the financial positions of the Group upon obtaining the outcomes or findings of the Investigation and details of the Allegation and would provide all information in relation to the Investigation and the Allegation to the Auditor once available from time to time for its review and assessment. Further announcement(s) will be made when there is any further update on the 2020 Qualified Opinion pursuant to the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited.

By order of the Board
Shen You Holdings Limited
Wong Kwok Wai, Albert

Chairman, chief executive officer and executive Director

Hong Kong, 14 April 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 Listed Company Information" page of the GEM website at 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.