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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 IN RELATION TO THE USE OF PROCEEDS OF THE PROPOSED RIGHTS ISSUE ON THE BASIS OF ONE RIGHTS SHARE FOR EVERY TWO EXISTING SHARES HELD ON RECORD DATE

Reference is made to the announcements (the “**Announcements**”) of the Company dated 9 April 2020, 17 April 2020 and 27 April 2020, respectively, in relation to, among other things, the proposed Rights Issue on the basis of one (1) Rights Share for every two (2) existing Shares held on the Record Date. Unless otherwise stated, capitalised terms used herein shall bear the same meanings as defined in the Announcements.

DETAILED USE OF PROCEEDS

As disclosed in the Announcements, the estimated gross proceeds from the Rights Issue will be approximately HK\$17.2 million. The net proceeds from the Rights Issue after deducting fees and expenses, will be approximately HK\$15.2 million and are intended to be used in the following matters:

- (i) as to approximately HK\$8 million for partial payments of the Group’s general and administrative expenses for the next twelve months, including approximately HK\$1.2 million for office rental, approximately HK\$6.1 million for salaries and allowances and the remainder of approximately HK\$0.7 million for other operating expenses;
- (ii) as to approximately HK\$3 million for professional fees, including but not limited to, legal retainer service fees and audit fees for the next twelve months; and
- (iii) as to approximately HK\$4.2 million for acquisition of raw materials.

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

Hong Kong, 29 April 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 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.