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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 2019 AND THE ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

Reference is made to the annual results announcement of Shen You Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) for the year ended 31 December 2019 published on 31 March 2020 (the “**2019 Annual Results Announcement**”) and the annual report of the Company published on 1 April 2020 (the “**2019 Annual Report**”).

QUALIFIED OPINION

Reference is made to the paragraph headed “Extract of Independent Auditor’s Report” on page 15 of the 2019 Annual Results Announcement and the section headed “Independent Auditor’s Report” on pages 62 to 69 of the 2019 Annual Report in respect of the qualified opinion on the consolidated financial statements of the Group for the year ended 31 December 2019 (the “**2019 Qualified Opinion**”) made by the auditor of the Company (the “**Auditor**”). The board of the Directors of the Company (the “**Board**”) wishes to supplement the following:

After 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 from 15 January 2020 (the “**Investigation**”) and details of the allegation (the “**Allegation**”) stated in the ICAC Press Release, with which the Company was associated. Since the Investigation is ongoing and the Allegation is in the stage of the legal proceedings, the Company was unable to provide the Auditor with further information other than the information released by the ICAC in the ICAC Press Release.

The basis for the 2019 Qualified Opinion is that very limited information in relation to the Investigation or the Allegation can be obtained since the Investigation is still ongoing, the Allegation is in the stage of the legal proceedings and the ICAC is not able to provide further information at this stage. Due to the limited information available at the current stage, the Auditor is 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 that limited information in relation to the Investigation or the Allegation can be obtained since the Investigation is still ongoing, the Allegation is in the stage of the legal proceedings and the ICAC is not able 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 2019 Qualified Opinion, the Company would reassess the impact of the Investigation on the operations and the financial position of the Group when obtaining the outcomes or progress of the Investigation 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 about the 2019 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, 22 May 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 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 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.