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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 ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

Reference is made to the annual report of Shen You Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) for the year ended 31 December 2020 (the “**Annual Report**”) published on 26 March 2021. Unless otherwise stated, capitalised terms used herein shall have the same meanings as defined in the Annual Report.

USE OF PROCEEDS

Reference is made to the paragraph headed “Use of Proceeds” under the Management Discussion and Analysis set out in the Annual Report, the Company would to provide additional information in relation to the use of net proceeds from IPO of the Company during the year ended 31 December 2020.

	Net proceeds from available HK\$ million	Utilised during the year ended 31 December 2019 HK\$ million	Unutilised as at 31 December 2019 HK\$ million	Utilised during the year ended 31 December 2020 HK\$ million	Unutilised as at 31 December 2020 HK\$ million	Expected timeline for utilising the unutilised amount
Upgrading the Group’s machinery for the production of 100% spun polyester sewing threads for industrial use	20.3	3.1	17.2	-	17.2	on or before 31 December 2021
Upgrading the Group’s machinery for the production of 100% spun polyester sewing threads for domestic use	7.7	2.2	5.5	-	5.5	on or before 31 December 2021
Acquiring new cone winding machines	4.1	0.5	3.6	-	3.6	on or before 31 December 2021
Acquiring new machinery for the production of nylon threads	3.7	1.3	2.4	-	2.4	on or before 31 December 2021
Setting up a sales office in Zhejiang province	1.2	0.8	0.4	0.4	-	
Working capital and other general corporate purposes of the Group	3.7	3.7	-	-	-	
	40.7	11.6	29.1	0.4	28.7	
Repayment of bank facilities	-	-	-	20.0	20.0	
	40.7	11.6	29.1	20.4	8.7	

DEFINED CONTRIBUTION PLAN

Reference is made to the paragraph headed “Employee and Remuneration Policy” under the Management Discussion and Analysis and the paragraph headed “Retirement benefit costs and termination benefit” in note 4 “Significant Accounting Policies” to the consolidated financial statements set out in the Annual Report, the Company would like to add the following information in the Annual Report in relation to the defined contribution retirement benefit plan of the Company.

The Group operates a Mandatory Provident Fund Scheme (the “**MPF Scheme**”) under the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong) for employees employed under the jurisdiction of the Employment Ordinance (Chapter 57 of the Laws of Hong Kong). The MPF Scheme is a defined contribution retirement plan administered by independent trustees. Under the MPF Scheme, the employer and its employees are each required to make contributions to the MPF Scheme at 5% of the employees’ relevant income, subject to a cap of monthly relevant income of HK\$30,000. Contributions to the MPF Scheme vest immediately.

Pursuant to the relevant labour laws, rules and regulations in the PRC, the Group participates in defined contribution retirement benefit scheme (the “**Retirement Benefit Scheme**”) organised by the relevant local government authorities in the PRC whereby the Group is required to make contributions to the Retirement Benefit Scheme at a certain rate of the standard wages determined by the relevant authorities in the PRC during the year. Contributions to the Retirement Benefit Scheme vest immediately.

There was no forfeited contribution under the MPF Scheme and Retirement Benefit Scheme which may be used by the Group to reduce the contribution payable in the future years.

Save as disclosed in this announcement, the remaining contents of the Annual Report 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, 4 October 2021

As at the date of this announcement, the Board comprises four executive Directors, namely, Mr. Wong Kwok Wai, Albert, Mr. Chan Yiu Tung, Enoch, Mr. Leung King Yue, Alex and Mr. Ma Pok Man, Josiah; 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 for at least 7 days from the date of its posting and be posted on the website of the Company at www.shenyouholdings.com.