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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)

PROFIT GUARANTEE IN RELATION TO THE MAJOR ACQUISITION OF THE ENTIRE ISSUED SHARE CAPITAL OF AND SALE LOANS DUE BY DIAMOND MOTTO LIMITED

References are made to (i) the announcements of Shen You Holdings Limited (the “**Company**”) dated 18 August 2020, 7 September 2020, 28 September 2020 and 9 February 2021 (the “**Announcements**”), and (ii) the circular of the Company dated 13 January 2021 (the “**Circular**”) in relation to, among others, the entering into of the Sale and Purchase Agreement between the Company, as purchaser, and the Vendors for the Acquisition of the entire issued share capital of and the sale loans due by Diamond Motto Limited (the “**Target Company**”) for an aggregate Consideration of HK\$14,500,000. The Acquisition was completed on 9 February 2021 (the “**Completion Date**”). Unless the context otherwise requires, capitalised terms used herein shall have the same meanings as those defined in the Circular.

Pursuant to the Sale and Purchase Agreement, Vendor A has irrevocably and unconditionally warranted and guaranteed to the Company that the audited consolidated profits after tax of the Target Company calculated in accordance with the HKFRS as shown in the audited consolidated financial statements for the 12-month period commencing after the Completion Date (the “**Guaranteed Period**”) issued by the Auditors shall not be less than HK\$2,000,000 (the “**Guaranteed Profit**”). In the event of non-fulfilment of the Profit Guarantee, Vendor A shall compensate the Company by paying the Company 7.25 times of the aggregate amount of shortfall of the relevant guarantee period(s) in cash, and such compensation shall not exceed the sum of HK\$14,500,000, being the amount of Consideration for the Acquisition, in any event. Please refer to the Announcements and the Circular for further information in relation to the Acquisition.

The Board would like to announce that as shown in the audited consolidated financial statements of the Target Company for the Guaranteed Period issued by the Auditors, the audited consolidated profits after tax of the Target Company for the Guaranteed Period was not less than HK\$2,000,000. Therefore, the Board is pleased to announce that the Guaranteed Profit has been met. Pursuant to the terms and conditions of the Sale and Purchase Agreement, Vendor A and the Company will jointly procure the Escrow Agent to release the share certificates for the 15,860,466 Shares which are held in escrow by the Escrow Agent to Vendor A in accordance with the terms and conditions of the Escrow Letter.

The Company will make further disclosures in respect of the fulfilment of the Profit Guarantee for the Guaranteed Period in the next annual report of the Company in accordance with the GEM Listing Rules.

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

Hong Kong, 13 May 2022

As at the date of this announcement, the Board comprises five executive Directors, namely, Mr. Wong Kwok Wai, Albert, Mr. Chan Yiu Tung, Enoch, Mr. Leung King Yue, Alex, Mr. Ma Pok Man Josiah and Mr. Shane McGrath; 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.