

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional advisers.

If you have sold or transferred all your shares in Shen You Holdings Limited, you should at once hand this circular together with the accompanying form of proxy to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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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)

**PROPOSED SHARE CONSOLIDATION
PROPOSED CHANGE IN BOARD LOT SIZE
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

Terms used on this cover shall have the same meaning as defined in this circular.

A notice convening the EGM to be held at 7/F., Nexxus Building, 41 Connaught Road Central, Central, Hong Kong on Friday, 21 August 2020 at 2:15 p.m. is set out on pages 12 to 13 of this circular. A form of proxy for use at the EGM is enclosed with this circular.

Whether or not the Shareholders are able to attend and vote at the EGM in person, they are requested to complete and sign the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, as soon as possible and in any event no less than 48 hours before the time appointed for holding the EGM (i.e. Wednesday, 19 August 2020 at 2:15 p.m. (Hong Kong time)) or any adjournment thereof. Completion and return of the form of proxy shall not preclude Shareholders from attending and voting in person at the EGM or any adjournment thereof should they so wish and, in such event, the instrument appointing the proxy shall be deemed to be revoked.

PRECAUTIONARY MEASURES FOR THE EGM

Due to the on-going COVID-19 pandemic, to safeguard the health and safety of Shareholders, the Company will implement the following precautionary measures at the EGM:

- compulsory body temperature checks
- compulsory wearing of a surgical face mask for each attendee
- submission of personal information form, which may be used for contact tracing, if required
- no distribution of corporate gift nor provision of refreshment

Shareholders or their proxies who does not comply with these precautionary measures may be denied entry into the EGM venue. Shareholders are reminded that, in order to avoid attending the meeting in person, they may appoint the chairman of the meeting as their proxy to vote on any resolutions at the EGM in accordance with the voting preferences indicated on the enclosed proxy form.

This circular with a form of proxy will remain on the "Latest Company Announcements" page of the website of GEM at www.hkgem.com for at least 7 days from the date of its publication and on the website of the Company at www.shenyouholdings.com.

5 August 2020

CHARACTERISTICS OF GEM

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

CONTENTS

	<i>Page</i>
Characteristics of GEM	i
Definitions	1
Expected timetable	3
Letter from the Board	5
NOTICE OF EGM	12

DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions have the meanings as set out below:

“Acquisition”	the possible acquisition by the Company and/or its subsidiary(ies) of not less than 55% of the entire issued share capital of the Target Company from Mr. Leung Tat Chi, and if applicable, other shareholders of the Target Company
“Announcement”	the announcement of the Company dated 24 June 2020 in relation to, among other things, the Acquisition
“Board”	the board of Directors
“Business Day”	a day (other than a Saturday, Sunday and any day on which a tropical cyclone warning no. 8 or above is hoisted or on which a “black” rainstorm warning is hoisted between 9:00 a.m. and 5:00 p.m.) on which licensed banks are generally open for business in Hong Kong throughout their normal business hours
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Change in Board Lot Size”	the proposed change in board lot size of the Shares for trading on the Stock Exchange from 50,000 Existing Shares to 10,000 Consolidated Shares
“Company”	Shen You Holdings Limited, a company incorporated in the Cayman Islands with limited liability, and the issued shares of which are listed on GEM (stock code: 8377)
“Consolidated Share(s)”	ordinary share(s) of HK\$0.05 each in the share capital of Company upon the Share Consolidation becoming effective
“Director(s)”	director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be held at 2:15 p.m. on Friday, 21 August 2020 at 7/F., Nexxus Building, 41 Connaught Road Central, Central, Hong Kong to consider and, if thought fit, approve the Share Consolidation
“Existing Share(s)”	ordinary share(s) of HK\$0.01 each in the existing share capital of the Company before the Share Consolidation becoming effective
“GEM”	GEM operated by the Stock Exchange

DEFINITIONS

“GEM Listing Committee”	has the meaning ascribed thereto under the GEM Listing Rules
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries (from time to time)
“HKSCC”	the Hong Kong Securities Clearing Company Limited
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	31 July 2020, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular
“Share(s)”	the Existing Share(s) or as the context may require, the Consolidated Share(s)
“Share Consolidation”	the proposed consolidation of every five (5) issued and unissued Existing Shares into one (1) Consolidated Share in the share capital of the Company
“Shareholder(s)”	the holder(s) of the Existing Share(s) or the Consolidated Share(s), as the case may be
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Diamond Motto Limited, a company incorporated in the British Virgin Islands with limited liability, which is owned as to 55% by Mr. Leung Tat Chi and 45% by other shareholders
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“%”	per cent

EXPECTED TIMETABLE

The expected timetable for the implementation of the Share Consolidation and the Change in Board Lot Size is set out below.

Event	2020
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Latest date and time for lodging transfer documents in order to qualify for attending and voting at the EGM	4:30 p.m. on Monday, 17 August
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Closure of the register of members for determining the entitlement to attend and vote at the EGM	Tuesday, 18 August to Friday, 21 August (both dates inclusive)
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Latest date and time for lodging forms of proxy for the EGM	2:15 p.m. on Wednesday, 19 August
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Date and time of the EGM	2:15 p.m. on Friday, 21 August
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Publication of the announcement of the results of the EGM	Friday, 21 August
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The following events are conditional on the fulfillment of the conditions for the implementation of the Share Consolidation as set out in this circular.

Effective date of the Share Consolidation	Tuesday, 25 August
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Dealing in the Consolidated Shares commences	9:00 a.m. on Tuesday, 25 August
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First day of free exchange of existing share certificates for new share certificates for the Consolidated Shares	Tuesday, 25 August
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Original counter for trading in the Existing Shares in board lots of 50,000 Existing Shares (in the form of existing share certificates) temporarily closes	9:00 a.m. on Tuesday, 25 August
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Temporary counter for trading in the Consolidated Shares in board lots of 10,000 Consolidated Shares (in the form of existing share certificates) opens	9:00 a.m. on Tuesday, 25 August
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EXPECTED TIMETABLE

Event	2020
Original counter for trading in the Consolidated Shares in new board lots of 10,000 Consolidated Shares (in the form of new share certificates for the Consolidated Shares) re-opens.....	9:00 a.m. on Tuesday, 8 September
Parallel trading in the Consolidated Shares (in the form of new share certificates for the Consolidated Shares and existing share certificates) commences.....	9:00 a.m. on Tuesday, 8 September
Designated broker starts to stand in the market to provide matching services for odd lots of the Consolidated Shares	9:00 a.m. on Tuesday, 8 September
Temporary counter for trading in the Consolidated Shares in board lots of 10,000 Consolidated Shares (in the form of existing share certificates) ends	4:10 p.m. on Monday, 28 September
Parallel trading in the Consolidated Shares (in the form of new share certificates for the Consolidated Shares and existing share certificates) ends	4:10 p.m. on Monday, 28 September
Designated broker ceases to stand in the market to provide matching services for odd lots of the Consolidated Shares	4:10 p.m. on Monday, 28 September
Last day for free exchange of existing share certificates for new share certificates for the Consolidated Shares	Wednesday, 30 September

Note: All times and dates in this circular refer to Hong Kong local times and dates. In the event that any special circumstances arise, such dates and deadlines may be adjusted by the Board if it considers appropriate. Any changes to the expected timetable will be published or notified to the Shareholders by way of announcement(s) on the GEM website of the Stock Exchange and on the website of the Company as and when appropriate.

LETTER FROM THE BOARD

SHEN YOU HOLDINGS LIMITED

申酉控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8377)

Executive Directors:

Mr. Wong Kwok Wai, Albert
(Chairman and Chief Executive Officer)
Mr. Chan Yiu Tung, Enoch
Mr. Leung King Yue, Alex

Registered office:

Clifton House, 75 Fort Street
P.O. Box 1350
Grand Cayman KY1-1108
Cayman Islands

Independent non-executive Directors:

Dr. Yeung Ngai Man, John
Mr. Sung Alfred Lee Ming
Mr. Chan Tsun Choi, Arnold
Mr. Chow Chin Hang, Joel

*Head office and principal place of
business in Hong Kong:*

Unit 1006, 10/F.
Harbour Crystal Centre
100 Granville Road
Tsim Sha Tsui East
Kowloon, Hong Kong

5 August 2020

To the Shareholders

Dear Sir or Madam,

**PROPOSED SHARE CONSOLIDATION
PROPOSED CHANGE IN BOARD LOT SIZE
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

INTRODUCTION

Reference is made to the announcement of the Company dated 16 July 2020 and in respect of the Share Consolidation and the Change in Board Lot Size.

The purpose of this circular is to provide you with details of the Share Consolidation, the Change in Board Lot Size as well as to give you the notice of the EGM to be convened.

PROPOSED SHARE CONSOLIDATION

The Board proposes to implement the Share Consolidation on the basis that every five (5) issued and unissued Existing Shares of HK\$0.01 each will be consolidated into one (1) Consolidated Share of HK\$0.05 each.

LETTER FROM THE BOARD

Effects of the Share Consolidation

As at the Latest Practicable Date, the authorised share capital of the Company is HK\$50,000,000 divided into 5,000,000,000 Existing Shares of par value of HK\$0.01 each, of which 1,200,000,000 Existing Shares have been issued and are fully paid or credited as fully paid. Assuming that no further Shares will be allotted, issued or repurchased from the Latest Practicable Date up to the date of the EGM, immediately after the Share Consolidation becoming effective, the authorised share capital of the Company will become HK\$50,000,000 divided into 1,000,000,000 Consolidated Shares of par value of HK\$0.05 each, of which 240,000,000 Consolidated Shares will be in issue which are fully paid or credited as fully paid.

Upon the Share Consolidation becoming effective, the Consolidated Shares shall rank *pari passu* in all respects with each other.

Other than the expenses to be incurred in relation to the Share Consolidation and the Change in Board Lot Size, the implementation of the Share Consolidation will have no effect on the consolidated net asset value of the Group, nor alter the underlying assets, business operations, management or financial position of the Company or the proportionate interests or rights of the Shareholders, save that any fractional Consolidated Shares will not be allocated to Shareholders who may otherwise be entitled and the necessary professional expenses for the implementation of the Share Consolidation.

The Board believes that the Share Consolidation will not have any material adverse effect on the financial position of the Group and that on the date the Share Consolidation is to be effected, there are no reasonable grounds for believing that the Company is, or after the Share Consolidation would be, unable to pay its liabilities as they become due. The Share Consolidation will not involve any diminution of any liability in respect of any unpaid capital of the Company or the repayment to the Shareholders of any unpaid capital of the Company nor will it result in any change in the relative rights of the Shareholders.

Conditions of the Share Consolidation

The implementation of the Share Consolidation is conditional upon:

- (i) the passing of an ordinary resolution by the Shareholders at the EGM to approve the Share Consolidation;
- (ii) the GEM Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Consolidated Shares in issue and to be issued upon the Share Consolidation becoming effective; and
- (iii) the obtaining of all necessary approvals from the regulatory authorities or otherwise as may be required in respect of the Share Consolidation, if any.

As at the Latest Practicable Date, none of the conditions precedent as set out above is fulfilled.

LETTER FROM THE BOARD

Subject to the fulfilment of the conditions of the Share Consolidation, the effective date of the Share Consolidation is expected to be on Tuesday, 25 August 2020, being the second Business Day after the date of EGM.

Listing application

An application will be made by the Company to the GEM Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Consolidated Shares in issue and to be issued upon the Share Consolidation becoming effective.

Subject to the granting of the listing of, and permission to deal in, the Consolidated Shares on the Stock Exchange upon the Share Consolidation becoming effective, as well as compliance with the stock admission requirements of the HKSCC, the Consolidated Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Consolidated Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. All necessary arrangements will be made for the Consolidated Shares to be admitted into CCASS established and operated by HKSCC.

None of the Existing Shares are listed or dealt in on any other stock exchange other than the Stock Exchange, and at the time the Share Consolidation becomes effective, the Consolidated Shares in issue will not be listed or dealt in on any stock exchange other than the Stock Exchange, and no such listing or permission to deal is being or is proposed to be sought.

PROPOSED CHANGE IN BOARD LOT SIZE

As at the Latest Practicable Date, the Existing Shares are traded on the Stock Exchange in board lot size of 50,000 Existing Shares. The Board proposes to change the board lot size for trading on the Stock Exchange from 50,000 Existing Shares to 10,000 Consolidated Shares subject to and upon the Share Consolidation becoming effective.

Based on the closing price of HK\$0.054 per Existing Share (equivalent to HK\$0.27 per Consolidated Share) as quoted on the Stock Exchange as at the Latest Practicable Date, the market value of each board lot of 10,000 Consolidated Shares, assuming the Share Consolidation and the Change in Board Lot Size had become effective, would be HK\$2,700.

LETTER FROM THE BOARD

OTHER ARRANGEMENTS

Fractional entitlement to Consolidated Shares

Fractional Consolidated Shares arising from the Share Consolidation, if any, will be disregarded and will not be issued to the Shareholders but all such fractional Consolidated Shares will be aggregated and, if possible, sold and retained for the benefit of the Company. Fractional Consolidated Shares will only arise in respect of the entire shareholding of a holder of the Existing Shares of the Company regardless of the number of share certificates held by such holder.

Arrangement on odd lot trading

In order to facilitate the trading of odd lots, if any, of the Consolidated Shares arising from the Share Consolidation, the Company has appointed Upbest Securities Company Limited as an agent to provide matching services, on a best effort basis, to those Shareholders who wish to acquire odd lots of the Consolidated Shares to make up a full board lot, or to dispose of their holding of odd lots of the Consolidated Shares during the period from Tuesday, 8 September 2020 to Monday, 28 September 2020. Shareholders who wish to take advantage of this facility should contact Upbest Securities Company Limited at 2nd Floor, Wah Kit Commercial Centre, 300 Des Voeux Road Central, Hong Kong (telephone number: (852) 2545 3298 during office hours (i.e. 9:00 a.m. to 6:00 p.m.) of such period).

Holders of odd lots of the Consolidated Shares should note that the matching of the sale and purchase of odd lots of the Consolidated Shares is not guaranteed. Shareholders who are in any doubt about the odd lots matching arrangement are recommended to consult their own professional advisers.

Free exchange of certificates for Consolidated Shares

Subject to the Share Consolidation becoming effective, which is currently expected to be Tuesday, 25 August 2020, being the second Business Day immediately after the date of the EGM, Shareholders may on or after Tuesday, 25 August 2020 and until Wednesday, 30 September 2020 (both days inclusive), submit their existing share certificates in yellow colour for the Existing Shares to the Company's branch share registrar, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for exchange for new share certificates on the basis of every five (5) Existing Shares for one (1) Consolidated Share without any fractional Consolidated Share, in blue colour for the Consolidated Shares at the expense of the Company. It is expected that the new share certificates for the Consolidated Shares will be available for collection within 10 Business Days after the submission of the existing share certificates to the share registrar of the Company for exchange. Thereafter, a fee of HK\$2.50 (or such other amount as may from time to time be allowed by the Stock Exchange) will be payable by the Shareholders to the Company's branch share registrar for each share certificate for the Consolidated Shares issued or each share certificate for the Existing Shares submitted for cancellation, whichever is higher.

LETTER FROM THE BOARD

After 4:10 p.m. on Monday, 28 September 2020, trading will only be in Consolidated Shares which share certificates will be issued in blue colour. Existing share certificates in yellow colour for the Existing Shares will cease to be valid for trading, settlement and registration purpose, but will remain valid and effective as documents of title.

Outstanding options, warrants or other securities

As at the Latest Practicable Date, the Company has no outstanding options, warrants or other securities in issue which are convertible into or giving rights to subscribe for, convert or exchange into, any Existing Shares or Consolidated Shares, as the case may be.

REASONS FOR THE PROPOSED SHARE CONSOLIDATION AND CHANGE IN BOARD LOT SIZE

Pursuant to Rule 17.76 of the GEM Listing Rules, where the market price of the securities of an issuer approaches the extremities of HK\$0.01 or HK\$9,995.00, the issuer may be required either to change the trading method or to proceed with a consolidation or splitting of its securities. Further, the “Guide on Trading Arrangements for Selected Types of Corporate Actions” issued by Hong Kong Exchanges and Clearing Limited on 28 November 2008 and updated on 30 August 2019 states that (i) market price of the Shares at a level less than HK\$0.1 will be considered as trading at extremity as referred to under Rule 17.76 of the GEM Listing Rules; and (ii) taking into account the minimum transaction costs for a securities trade, the expected board lot value per board lot should be greater than HK\$2,000.

In view of the prevailing trading prices of the Existing Shares, the Board proposes to implement the Share Consolidation. It is expected that the proposed Share Consolidation would bring about a corresponding upward adjustment in the trading price of the Consolidated Shares on the Stock Exchange. As a result, the proposed Share Consolidation would enable the Company to comply with the trading requirements under the GEM Listing Rules. The Company also considers that the proposed Change in Board Lot Size will maintain the trading amount for each board lot at a reasonable level and attract more investors and broaden the shareholder base of the Company. Based on the closing price of HK\$0.054 per Existing Share (equivalent to HK\$0.27 per Consolidated Share) as quoted on the Stock Exchange as at the Latest Practicable Date, the expected market value of each board lot of 10,000 Consolidated Shares, assuming the Share Consolidation and the Change in Board Lot Size had become effective, would be HK\$2,700, which is greater than HK\$2,000 and therefore complies with the requirement as set out in the said “Guide on Trading Arrangements for Selected Types of Corporate Actions”.

Save for the relevant expenses, including but not limited to professional fees and printing charge to be incurred by the Company, the implementation of the Share Consolidation and Change in Board Lot Size will have no effect on the consolidated net asset value of the Group, nor alter the underlying assets, business operations, management or the financial position of the Company or the proportionate interests of the Shareholders. In view of the above, the Board considers that the Share Consolidation and Change in Board Lot Size are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE BOARD

As at the Latest Practicable Date, save for the Acquisition as disclosed in the announcements of the Company dated 24 June 2020 and 17 July 2020, the Company has no intention to carry out other corporate actions or arrangements which may have an effect of undermining or negating the intended purpose of the Share Consolidation, and the Company does not have any concrete plan to conduct any equity fund raising activities in the coming 12 months. As at the Latest Practicable Date, the Company has no other agreement, arrangement, understanding, intention and negotiation (concluded or otherwise) for any potential fund raising activities in the coming 12 months.

As disclosed in the Announcement, the Board considers that the Acquisition would allow the Group to tap into the business of the trading of furnishing as well as the provision of interior design, fitting out and decoration services and it is beneficial for the Group to seek suitable investment opportunities from time to time to diversify its existing business portfolio and to broaden the Group's source of income.

As at the Latest Practicable Date, the parties to the memorandum of understanding dated 24 June 2020 (as amended and supplemented by the supplemental memorandum of understanding dated 17 July 2020) entered into between the Company (as purchaser) and Mr. Leung Tat Chi (as vendor) and the remaining shareholders of the Target Company are still in the process of negotiation of the terms of the Acquisition. The Directors expect that a formal sale and purchase agreement in respect of the Acquisition, if materialises, will be entered into in or around August 2020. The Company will make further disclosure and/or announcement(s) in respect of the Acquisition as and when appropriate in accordance with the GEM Listing Rules.

EGM

A notice convening the EGM to be held at 7/F., Nexxus Building, 41 Connaught Road Central, Central, Hong Kong on Friday, 21 August 2020 at 2:15 p.m. at which ordinary resolution will be proposed to the Shareholders to consider and, if thought fit, to approve the Share Consolidation is set out on pages 12 to 13 of this circular.

To the best knowledge of the Directors, no Shareholders have a material interest in the Share Consolidation and the Change in Board Lot Size and accordingly, no Shareholders will have to abstain from voting at the EGM.

Whether or not you intend to attend the EGM, you are requested to complete and return the form of proxy accompanying this circular in accordance with the instructions printed thereon in any event no later than Wednesday, 19 August 2020 at 2:15 p.m. (Hong Kong time). Completion and return of the form of proxy will not preclude you from attending and voting at the EGM or any adjournment thereof in person if you so wish, and in such event, the form of proxy shall be deemed to be revoked.

LETTER FROM THE BOARD

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Tuesday, 18 August 2020 to Friday, 21 August 2020 (both days inclusive) during which period no transfer of Shares will be registered. In order to be qualified to attend and vote at the EGM, all properly completed transfer forms accompanied by the relevant Share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, not later than 4:30 p.m. on Monday, 17 August 2020.

RESPONSIBILITY STATEMENT

This circular, 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 circular 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 circular misleading.

COMPETING INTERESTS

As at the Latest Practicable Date, none of the Directors, the controlling shareholders of the Company or any of their respective close associates (as defined under the GEM Listing Rules) has any interest in a business which competes or may compete with the business of the Group nor does any of them has or may have any other conflicts of interests with the Group.

RECOMMENDATION

The Directors consider that the Share Consolidation and Change in Board Lot Size are in the interests of the Company and the Shareholders as a whole and recommend the Shareholders to vote in favour of the resolution(s) approving, among other things, the Share Consolidation to be proposed at the EGM.

Yours faithfully,

For and on behalf of the Board

Shen You Holdings Limited

Wong Kwok Wai, Albert

Chairman, Chief Executive Officer and Executive Director

NOTICE OF EGM

SHEN YOU HOLDINGS LIMITED

申酉控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8377)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the “**Meeting**”) of Shen You Holdings Limited (the “**Company**”) will be held at 7/F., Nexxus Building, 41 Connaught Road Central, Central, Hong Kong on Friday, 21 August 2020 at 2:15 p.m. for the purpose of considering and, if thought fit, passing the following resolution(s) with or without amendments as ordinary resolution(s) of the Company:

ORDINARY RESOLUTION

“**THAT** subject to and conditional upon, among other things, the GEM Listing Committee of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) granting approval for the listing of, and permission to deal in, the Consolidated Shares (as defined below) in issue, with effect from the second business day immediately following the day of passing of this resolution, being a day on which the shares of the Company are traded on the Stock Exchange:

- (a) every five (5) issued and unissued shares of HK\$0.01 each in the share capital of the Company be consolidated into one (1) share of HK\$0.05 each (each a “**Consolidated Share**”), and such Consolidated Share(s) shall rank *pari passu* in all respects with each other and have the rights and privileges and be subject to the restrictions in respect of ordinary shares contained in the articles of association of the Company (the “**Share Consolidation**”);
- (b) all fractional Consolidated Shares resulting from the Share Consolidation will be disregarded and will not be issued to holders of the same but all such fractional Consolidated Shares will be aggregated and, if possible, sold for the benefit of the Company in such manner and on such terms as the directors (the “**Directors**”) of the Company may think fit; and
- (c) the Directors be and are hereby authorised to do all such acts, deeds and things and to effect all necessary actions as they may consider necessary or desirable in order to effect, implement and complete any and all of the foregoing.”

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

Chairman, Chief Executive Officer and Executive Director

Hong Kong, 5 August 2020

NOTICE OF EGM

Notes:

1. All resolutions at the Meeting will be taken by poll (except where the chairman decides to allow a resolution relating to a procedural or administrative matter to be voted on by a show of hands) pursuant to Rule 17.47(4) of the GEM Listing Rules. The results of the poll will be published on the websites of Hong Kong Exchanges and Clearing Limited and the Company in accordance with the GEM Listing Rules.
2. Any shareholder of the Company entitled to attend and vote at the Meeting convened by this notice is entitled to appoint a proxy to attend and vote instead of him. A proxy need not be a shareholder of the Company. A shareholder who is the holder of two or more shares of the Company may appoint more than one proxy to represent him to attend and vote on his behalf. If more than one proxy is so appointed, the number of shares in respect of which each such proxy is so appointed must be specified in the relevant form of proxy.
3. In order to be valid, the form of proxy together with the power of attorney or other authority, if any, under which it is signed or a certified copy of that power of attorney or authority, must be deposited at the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 48 hours before the time appointed for holding the EGM (i.e. Wednesday, 19 August 2020 at 2:15 p.m. (Hong Kong time)) or adjournment thereof. Delivery of the form of proxy shall not preclude a shareholder of the Company from attending and voting in person at the Meeting and, in such event, the instrument appointing a proxy shall be deemed to be revoked.
4. For determining the entitlement to attend and vote at the above Meeting, the register of members of the Company will be closed from Tuesday, 18 August 2020 to Friday, 21 August 2020, both dates inclusive, during which period no transfer of shares will be effected and registered. In order to be eligible to attend and vote at the Meeting, unregistered holders of shares of the Company shall ensure that all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Monday, 17 August 2020.

As at the date of this circular, the Board comprises three executive Directors, namely, Mr. Wong Kwok Wai, Albert, Mr. Chan Yiu Tung, Enoch and Mr. Leung King Yue, Alex; and four independent non-executive Directors, namely, Dr. Yeung Ngai Man, John, Mr. Sung Alfred Lee Ming, Mr. Chan Tsun Choi, Arnold and Mr. Chow Chin Hang, Joel.

This circular will remain on the website of GEM 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.