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If you have sold or otherwise transferred all of your Ordinary Shares, please send this document together with the accompanying Form of Proxy to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission onto the purchaser or transferee. If you have sold part of your holding, please consult the stockbroker, banker or agent through whom such sale was made.

Yü Group PLC

(Incorporated in England and Wales under the Companies Act 2006 with registered number 10004236)

Proposed Capital Reduction and Notice of General Meeting

Notice convening a General Meeting of the Company to be held at the offices of the Company's legal advisers, DLA Piper UK LLP, at 3 Noble Street, London, United Kingdom, EC2V 7EE at 11:30am on 26 May 2016 is set out at the end of this document.

Shareholders will find enclosed with this document a Form of Proxy for use in connection with the General Meeting. Whether or not you intend to attend the General Meeting in person, you are requested to complete the Form of Proxy in accordance with the instructions therein and return it signed to the Registrars at Neville House, 18 Laurel Lane, Halesowen, West Midlands, United Kingdom, B63 3DA as soon as possible and in any event, to be valid, so as to be received no later than 11:30am on 24 May 2016 (or in the case of an adjournment, not later than 48 hours (excluding any part of a day that is not a Business Day) before the time fixed for the holding of the adjourned meeting). The return of a completed Form of Proxy will not preclude a Shareholder from attending and voting at the General Meeting in person should they wish to do so.

Your attention is drawn to the letter from the Chairman of the Company beginning on page 6 of this document which, amongst other things, includes the Directors' recommendation that you vote in favour of the Resolution to be proposed at the General Meeting.

Certain capitalised terms used in this document are defined at the section of this document under the heading "Definitions".

All times referred to in this document and the Form of Proxy are, unless otherwise stated, references to London time.

29 April 2016

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EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Circular and Form of Proxy posted to Shareholders	29 April 2016
Latest time and date for receipt of completed Forms of Proxy	11:30am on 24 May 2016
Record Date for General Meeting	6:00pm on 24 May 2016
Time and date of General Meeting	11:30am on 26 May 2016
Expected date of Court hearing to confirm the Capital Reduction by the cancellation of the Share Premium Account*	22 June 2016
Expected effective date of the cancellation of the Share Premium Account*	23 June 2016

*These dates are dependent on, amongst other things, the date upon which the Court confirms the Capital Reduction. The Court hearing dates may be subject to postponement by the Court.

DEFINITIONS

The following definitions apply throughout this document, unless the context otherwise requires:

"AIM"	a market operated by the London Stock Exchange
"Board" or "Directors"	the board of directors of the Company
"Business Day"	any day upon which the London Stock Exchange is open for business
"Capital Reduction"	the proposed cancellation of the entire amount standing to the credit of the Share Premium Account
"Circular" or "this document"	this circular, dated 29 April 2016, including the Notice of General Meeting contained herein
"Company"	Yü Group PLC
"Court" or "High Court"	the High Court of England and Wales
"CREST"	the Relevant System (as defined in the CREST Regulations) in respect of which CRESTCo Limited is the Operator (as defined in the CREST Regulations)
"CREST Regulations"	the Uncertificated Securities Regulations 2001 (SI 2001/3755) (as amended);
"Form of Proxy"	the form of proxy accompanying this Circular for use in connection with the General Meeting
"General Meeting"	the general meeting of the Company to be held at the offices of the Company's legal advisers, DLA Piper UK LLP, at 3 Noble Street, London, United Kingdom, EC2V 7EE at 11:30am on 26 May 2016 (or any adjournment thereof) for the purposes of considering, and if deemed fit, approving the Resolution contained in the Notice of General Meeting
"Group"	the Company and its subsidiaries from time to time
"London Stock Exchange"	London Stock Exchange plc
"Notice of General Meeting"	the notice of the General Meeting set out at the end of this Circular
"Ordinary Shares"	ordinary shares of £0.005 each in the capital of the Company
"Record Date"	the latest time and date for Shareholders to be recorded in the members register of the Company in order to attend and vote at the General Meeting, being 6.00pm on 24 May 2016
"Registrars"	Neville Registrars Limited, the registrars of the Company
"Resolution"	the special resolution to be proposed at the General Meeting as set out in the Notice of General Meeting
"Shareholders"	the holders of Ordinary Shares and "Shareholder" means any one of them as the context requires

"Share Premium Account" the share premium account in the balance sheet of the Company

LETTER FROM THE CHAIRMAN OF YÜ GROUP PLC

*(Incorporated in England and Wales under the Companies Act 2006
with registered number 10004236)*

Directors:

Ralph Cohen (*Independent Non-executive Chairman*)
Bobby Kalar (*Chief Executive Officer*)
Nick Parker (*Chief Financial Officer*)
Garry Pickering (*Chief Operating Officer*)
John Glasgow (*Independent Non-executive*)

Registered office:

CPK House
2 Horizon Place
Nottingham Business Park
Mellors Way
Nottingham
United Kingdom
NG8 6PY

29 April 2016

To the holders of Ordinary Shares

Dear Shareholder

Proposed Capital Reduction

1. Introduction

I am writing to you on behalf of the Company to describe a proposal to restructure the Company's balance sheet by way of a capital reduction in order to create distributable reserves in the Company. The creation of distributable reserves should help facilitate the payment of dividends by the Company in the future, should the Board consider it appropriate to recommend the payment of a dividend. In order to do so, the Company proposes to cancel the entire amount standing to the credit of the Share Premium Account. Once cancelled, such amount will be credited to the Company's profit and loss account thereby eliminating the current deficit on the Company's profit and loss account and creating a positive balance on the Company's profit and loss account.

The purpose of this Circular and the accompanying Notice of General Meeting is to, amongst other things, provide Shareholders with the background to and reasons for the Capital Reduction; convene the General Meeting at which the Shareholders will be asked to consider, and if deemed fit, approve the Resolution to be proposed at the General Meeting; and explain why the Directors consider the Capital Reduction to be in the best interests of the Company and its Shareholders as a whole, and why the Directors recommend that Shareholders vote in favour of the Resolution.

The proposals being put to Shareholders are to facilitate the future payment of dividends, they are not an undertaking or guarantee dividends will be paid in the future.

2. Background to and reasons for the Capital Reduction

As referred to in the Company's AIM admission document, the Board intends to pay a maiden dividend in respect of the financial year ending 31 December 2016 and intends to adopt a progressive dividend policy thereafter. This is of course subject to the actual results of trading and the prevailing circumstances at the time and is therefore subject in each instance to the Board's determination as to when it considers it appropriate to recommend the payment of any such dividend and how much. Amongst other things, the Board will have regard to the Company's capital requirements for existing and new business opportunities and the prudent management of the Company's cash reserves.

The Companies Act 2006 requires the Company to have sufficient distributable profits available in order to pay a dividend. Distributable profits are credited to the profit and loss account of the Company. However, the Company does not have sufficient distributable reserves in place to pay any dividend as there is currently a deficit on the Company's profit and loss account of approximately £1.3 million partly arising from the costs incurred by the Company in effecting its admission to AIM on 17 March 2016.

3. Cancellation of the Share Premium Account

Share premium arises on the issue by the Company of shares at a premium to their nominal value and is credited to the Share Premium Account. The Share Premium Account is an undistributable capital reserve of the Company and the Company's ability to use any amount credited to that reserve is limited by statute. However, with the approval of the Shareholders by special resolution and subsequent confirmation of the Court, the Company may cancel its Share Premium Account and be permitted to credit the sum arising to its profit and loss account. To the extent that such sum creates or increases a credit on the profit and loss account, that sum represents distributable reserves of the Company which therefore facilitates the payment of dividends.

The Share Premium Account as at the date of this Circular stands at approximately £6.4 million. The Board considers it desirable to cancel the entire amount standing to the credit of the Share Premium Account and to thereafter credit the cancelled amount to the profit and loss account of the Company. The effect of this will be to eliminate the deficit on the profit and loss account and place the profit and loss account into credit.

4. Confirmation by the Court

If the Resolution is duly passed at the General Meeting, it is the intention of the Company thereafter to apply to the Court for confirmation of the cancellation of the Share Premium Account. In order to obtain the confirmation of the Court, the Company will need to demonstrate to the satisfaction of the Court that no creditor of the Company who has not consented to the cancellation of the Share Premium Account will be prejudiced by it. The cancellation of the Share Premium Account will take effect upon the order of the Court confirming the reduction and it being registered by the Company with the Registrar of Companies.

As a newly incorporated company, the Company has a relatively small number of creditors. It will therefore either obtain their consent to the Capital Reduction or simply settle sums due to them prior to the Capital Reduction taking effect.

If the Company is unable in the timetable proposed to obtain a consent from, or is unable or unwilling to provide security where security is required for all such creditors, then the amount released by the Capital Reduction, if the Capital Reduction is confirmed by the Court, will remain undistributable for the time being until any outstanding consents have been obtained, or security where security is required has been put in place, or the relevant obligations have been discharged.

The Board reserves the right to abandon or discontinue any application to the Court and hence the Capital Reduction if the Board believes that the terms required to obtain confirmation are unsatisfactory to the Company.

The Capital Reduction does not affect the voting or dividend rights or the rights on a return of capital of any holder of Ordinary Shares.

5. General Meeting

The notice convening the General Meeting to be held at the offices of the Company's legal advisers, DLA Piper UK LLP, at 3 Noble Street, London, United Kingdom, EC2V 7EE at 11:30am on 26 May 2016 to consider, and if deemed fit, to pass the Resolution required to effect, subject to confirmation by the Court, the Capital Reduction, is attached to this Circular.

Shareholders are referred to the Notice of General Meeting for further details on the Resolution to be proposed at the General Meeting and to the "*Action to be Taken*" section of this document immediately below detailing the action required by Shareholders in order to exercise their votes at the General Meeting.

6. Action to be taken

You will find a Form of Proxy for use in connection with the General Meeting enclosed with this document. The Form of Proxy should be completed in accordance with the instructions printed thereon, whether or not you intend to be present at the General Meeting, and returned to the Registrars at Neville House, 18 Laurel Lane, Halesowen, West Midlands, United Kingdom, B63 3DA as soon as possible and in any event, to be valid, so as to be received no later than 11:30am on 24 May 2016 (or in the case of an adjournment, not later than 48 hours (excluding any part of a day that is not a Business Day) before the time fixed for the holding of the adjourned meeting). The return of a completed Form of Proxy will not preclude a Shareholder from attending and voting at the General Meeting in person should they wish to do so.

7. Recommendation

For the reasons outlined above, your Board considers that the Capital Reduction represents an essential step in eliminating the deficit in the profit and loss account of the Company and is in the best interests of the Company and its Shareholders as a whole. Accordingly, the Board unanimously recommends that Shareholders vote in favour of the Resolution to be proposed at the General Meeting, as the Directors intend to do in respect of their own beneficial holdings in respect of which they have the power to exercise or direct the exercise of voting rights amounting in aggregate to 8,702,703 Ordinary Shares, representing approximately 61.92 per cent. of the issued ordinary share capital of the Company, as at the date of this document.

Yours faithfully

Ralph Cohen
Independent Non-executive Chairman

Yü Group PLC

(Incorporated in England and Wales under the Companies Act 2006 with registered number 10004236)

NOTICE OF GENERAL MEETING

All terms defined in the Circular to which this Notice of General Meeting forms part shall bear the same meanings herein.

Notice is hereby given that a general meeting of the Company will be held at the offices of the Company's legal advisers, DLA Piper UK LLP, at 3 Noble Street, London, United Kingdom, EC2V 7EE at 11:30am on 26 May 2016 to consider, and if deemed fit, to pass the following special resolution:

"THAT, subject to the confirmation by the Court, the entire amount standing to the credit of the Share Premium Account in the books of account of the Company be and is hereby cancelled."

The approval of not less than 75 per cent. of the total number of votes cast by Shareholders being entitled to vote is required to pass the Resolution.

By order of the Board

Nick Parker
Company Secretary

29 April 2016

Registered office:

CPK House
2 Horizon Place
Nottingham Business Park
Mellors Way
Nottingham
United Kingdom
NG8 6PY

Registered in England and Wales No. 10004236

Notes:

Entitlement to attend and vote

1. To have the right to attend, speak and vote at the General Meeting (and also for the purposes of calculating how many votes a Shareholder casts), a Shareholder must first have his or her name entered in the members register of the Company by not later than the Record Date, being 6:00pm on 24 May 2016 (or, if the meeting is adjourned, 6:00pm on the date which is two working days before the date of the adjourned meeting). Changes to entries on the members register of the Company after that time shall be disregarded in determining the right of any Shareholder to attend, speak and vote at the General Meeting.

Proxies

2. A member of the Company who is entitled to attend the General Meeting is entitled to appoint one or more proxies to attend, speak and vote in his or her place at the General Meeting. A proxy does not need to be a member of the Company but must attend

the General Meeting to represent such member. Details of how to appoint the Chairman of the meeting or another person as your proxy using the Form of Proxy are set out in the notes to the Form of Proxy. If you wish your proxy to speak on your behalf at the General Meeting you will need to appoint your own choice of proxy (not the Chairman) and give your instructions directly to them. A member may appoint more than one proxy to attend the General Meeting provided that each proxy is appointed to exercise rights attached to different shares.

3. A Form of Proxy is enclosed which should be completed in accordance with the instructions therein. 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 duly certified copy of such authority) must be deposited with the Registrars at Neville House, 18 Laurel Lane, Halesowen, West Midlands, United Kingdom, B63 3DA by no later than 11:30am on 24 May 2016 (or in the case of an adjourned meeting, not later than 48 hours (excluding any part of a day that is not a Business Day) before the time fixed for the holding of the adjourned meeting at which the person named in the instrument proposes to vote). Completion of the Form of Proxy will not preclude a member from attending and voting in person at the General Meeting. If you submit more than one valid Form of Proxy, the form received last before the latest time for the receipt of proxies will take precedence.
4. To change your proxy voting instructions, simply submit a new Form of Proxy using the methods set out above and in the notes to the Form of Proxy.
5. In order to revoke a proxy instruction you will need to inform the Company by sending a signed hard copy notice clearly stating your intention to revoke your proxy appointment to the Registrars. In the case of a member which is an individual, the revocation notice must be under the hand of the appointer or of his attorney duly authorised in writing or in the case of a member which is a company, the revocation notice must be executed under its common seal or under the hand of an officer of the company or an attorney duly authorised. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice. The revocation notice must be received before the start of the General Meeting. If you attempt to revoke your proxy appointment but the revocation is received after the start of the General Meeting then, subject to the paragraph directly below, your proxy appointment will remain valid.
6. Appointment of a proxy does not preclude you from attending the General Meeting and voting in person. If you have appointed a proxy and attend and vote at the General Meeting in person, your proxy appointment will automatically be terminated.
7. CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the General Meeting to be held at 11:30am on 26 May 2016 and any adjournment(s) thereof by utilising the procedures described in the CREST Manual. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
8. In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message (a "**CREST Proxy Instruction**") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message must be transmitted so as to be received by the issuer's agent (7RA11) by the latest time(s) for receipt of proxy appointments specified in the notice of meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.
9. CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
10. The Company may treat a CREST Proxy Instruction as invalid in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

Corporate representatives

11. Any Corporation which is a member may authorise one or more persons (who need not be a member of the Company) to attend, speak and vote at the General Meeting as the representative of that corporation. A certified copy of the board resolution appointing the relevant person as the representative of that corporation in connection with the General Meeting must be deposited at the office of the Registrars at Neville House, 18 Laurel Lane, Halesowen, Birmingham, West Midlands, United Kingdom, B63 3DA prior to the commencement of the General Meeting. Each such representative may exercise (on behalf of the corporation) the same powers as the corporation could exercise if it were an individual shareholder, provided that (where there is more than one representative and the vote is otherwise than on a show of hands) they do not do so in relation to the same shares.