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SH GROUP (HOLDINGS) LIMITED

順興集團（控股）有限公司

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 1637)

ADOPTION OF DIVIDEND POLICY

This announcement is made by SH Group (Holdings) Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board (the “**Board**”) of directors of the Company (the “**Directors**”) is pleased to announce that the Board has approved and adopted a dividend policy on 24 January 2019 (the “**Dividend Policy**”).

1. PURPOSE

The Dividend Policy aims to set out the principles and guidelines that the Company intends to apply in relation to the declaration, payment or distribution of its profits as dividends to the shareholders of the Company.

2. PRINCIPLES AND GUIDELINES

2.1 In considering the payment of dividends, there shall be a balance between retaining adequate reserves for the Group’s future growth and rewarding the shareholders of the Company.

2.2 The Board shall also take into account, among other things, the following factors when considering the declaration and payment of dividends:

- the Group’s overall results of operation, financial condition, expected working capital requirements and capital expenditure requirements, liquidity position and future expansions plans;

- the amount of retained profits and distributable reserves of the Company;
 - general economic conditions, business cycle of the Group's business and other internal or external factors that may have an impact on the business or financial performance and position of the Group; and
 - any other factors that the Board deems relevant.
- 2.3 The declaration and payment of dividends by the Company is subject to any restrictions under the Companies Law of the Cayman Islands, the Company's memorandum and articles of association, the Listing Rules and any other applicable laws and regulations.
- 2.4 The Company does not have any pre-determined dividend distribution ratio. The Company's dividend distribution record in the past may not be used as a reference or basis to determine the level of dividends that may be declared or paid by the Company in the future.
- 2.5 The Dividend Policy shall in no way constitute a legally binding commitment by the Group in respect of its future dividend and/or in no way obligate the Group to declare a dividend at any time or from time to time.

3. REVIEW OF THE POLICY

The Board will continually review the Dividend Policy and reserves the right in its sole and absolute discretion to update, amend and modify the Dividend Policy at any time.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

By order of the Board
SH Group (Holdings) Limited
Yu Cheung Choy
Chairman

Hong Kong, 24 January 2019

As at the date of this announcement, Mr. Yu Cheung Choy and Mr. Lau Man Ching are the executive Directors; Mr. Yu Ho Chi is the non-executive Director; and Mr. Lam Yim Nam, Mr. Lee Wing Kee and Mr. To Yan Ming Edmond are the independent non-executive Directors.