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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)

PROFIT WARNING

This announcement is made by the Company pursuant to Rule 13.09(2) of the Listing Rules and the Inside Information Provisions under Part XIVA of the SFO.

The Board wishes to inform the shareholders of the Company and potential investors that, based on the preliminary assessment on the unaudited consolidated management accounts of the Group and information currently available to the Board, the Group is expected to record a decrease in its net profit for the year ended 31 March 2019 in the range of 30% to 40%, when compared to the net profit of approximately HK\$35.6 million for the year ended 31 March 2018.

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

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 “**SFO**”).

The board (the “**Board**”) of directors of the Company (the “**Directors**”) wishes to inform the shareholders of the Company and potential investors that, based on the preliminary assessment on the unaudited consolidated management accounts of the Group and the information currently available to the Board, the Group is expected to record a decrease in its net profit for the year ended 31 March 2019 in the range of 30% to 40%, when compared to the net profit of approximately HK\$35.6 million for the year ended 31 March 2018.

The Board considers that the expected decrease in net profit for the year ended 31 March 2019 was primarily attributable to the decrease in gross profit and gross profit margin mainly due to (i) intensified competition in the industry faced by the Group that the Group adopted a more competitive pricing strategy in securing new projects; and (ii) increase in direct staff costs as a result of more employees were hired to handle the awarded projects currently on hand.

The information contained in this announcement is only based on the preliminary assessment by the Board with reference to the information currently available, including the unaudited consolidated management accounts of the Group, and is not based on any figure or information which has been audited or reviewed by the Company's auditors or reviewed by the audit committee of the Company, and may be subject to adjustments and changes. Details of the Group's financial information and performance will be disclosed in the Company's annual results announcement which is expected to be published in June 2019.

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, 9 May 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.