

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 a stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in SH Group (Holdings) Limited (the “**Company**”), you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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)

**PROPOSALS FOR GENERAL MANDATES TO ISSUE SHARES
AND TO REPURCHASE SHARES,
RE-ELECTION OF RETIRING DIRECTORS
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the annual general meeting of the Company to be held at United Conference Centre, 10/F., United Centre, 95 Queensway, Admiralty, Hong Kong on Wednesday, 28 August 2019 at 10:00 a.m. (the “**Annual General Meeting**”) (or any adjournment thereof), at which, among other things, the above proposals will be considered, which set out on pages 13 to 17 of this circular. A form of proxy for use at the Annual General Meeting is sent to you with this circular.

Whether or not you intend to attend the Annual General Meeting, you are requested to complete 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 practicable but in any event by 10:00 a.m. on Monday, 26 August 2019 or not less than 48 hours before the time appointed for holding the adjourned meeting. Completion and return of the form of proxy shall not preclude you from attending and voting in person at the Annual General Meeting or any adjournment thereof should you so wish, and in such case, the form of proxy previously submitted shall be deemed to be revoked.

26 July 2019

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RESPONSIBILITY STATEMENT

This circular, for which the Directors (as defined herein) of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules (as defined herein) for the purpose of giving information with regard to the Company. The Directors (as defined herein), 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.

DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions have the following meanings:

“AGM”	the annual general meeting of the Company to be convened and held at United Conference Centre, 10/F., United Centre, 95 Queensway, Admiralty, Hong Kong on Wednesday, 28 August 2019 at 10:00 a.m., or any adjournment thereof
“Articles”	the articles of association of the Company (as amended from time to time)
“Board”	the board of Directors
“Companies Law”	the Companies law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands, as amended, consolidated or otherwise modified from time to time
“Company”	SH Group (Holdings) Limited, a company incorporated in the Cayman Islands with limited liability and the Shares of which are listed on the Main Board of the Stock Exchange
“Director(s)”	director(s) of the Company
“Extension Mandate”	a general and unconditional mandate proposed to be granted to the Directors at the AGM to the effect that any Shares repurchased under the Repurchase Mandate will be added to the total number of Shares which may be allotted and issued under the Issue Mandate
“Final Dividend”	the proposed final dividend of HK1.4 cents per Share for the year ended 31 March 2019 to the Shareholders whose names appear on the register of members of the Company on the Record Date
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Issue Mandate”	a general and unconditional mandate proposed to be granted to the Directors at the AGM to exercise all powers of the Company to allot, issue or otherwise deal with new Shares up to a maximum of 20% of the number of issued Shares as at the date of passing of the relevant resolution granting such mandate

DEFINITIONS

“Latest Practicable Date”	19 July 2019, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Record Date”	Wednesday, 4 September 2019, being the date for determining entitlements of the Shareholders to the Final Dividend
“Repurchase Mandate”	a general and unconditional mandate proposed to be granted to the Directors at the AGM to exercise all powers of the Company to repurchase the fully paid Shares of up to 10% of the number of issued Shares as at the date of passing of the relevant resolution granting such mandate
“SFO”	Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Share(s)”	ordinary shares of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“HK\$” and “HK cents”	Hong Kong dollars and cents, the lawful currency of Hong Kong
“%”	per cent.

Reference to time and dates in this circular are to Hong Kong time and dates.

LETTER FROM THE BOARD



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)

Executive Directors:

Mr. Yu Cheung Choy (*Chairman*)

Mr. Lau Man Ching (*Chief Executive Officer*)

Non-executive Director:

Mr. Yu Ho Chi

Independent Non-executive Directors:

Mr. Lam Yim Nam

Mr. Lee Wing Kee

Mr. To Yan Ming Edmond

Registered Office:

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

*Principal Place of Business
in Hong Kong:*

Units 603–606, 6/F., Tower I

Cheung Sha Wan Plaza

833 Cheung Sha Wan Road

Kowloon

Hong Kong

26 July 2019

To the Shareholders

Dear Sir or Madam,

**PROPOSALS FOR GENERAL MANDATES TO ISSUE SHARES
AND TO REPURCHASE SHARES,
RE-ELECTION OF RETIRING DIRECTORS
AND
NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The purposes of this circular are to provide you with information in respect of the resolutions to be proposed at the AGM to seek approval of the Shareholders in respect of, among other matters, (i) the granting to the Directors the Issue Mandate, the Repurchase Mandate and the Extension Mandate; and (ii) the re-election of retiring Directors.

LETTER FROM THE BOARD

GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES

At the annual general meeting of the Company held on 5 September 2018, the Directors were granted by the then Shareholders (i) a general and unconditional mandate to allot, issue and deal with new Shares not exceeding 20% of the number of issued Shares as at the date of passing the relevant resolution; (ii) a general and unconditional mandate to repurchase Shares up to 10% of the number of issued Shares as at the date of passing the relevant resolution; and (iii) to extend the general mandate mentioned in (i) above by the addition of an amount representing the aggregate number of Shares repurchased by the Company pursuant to the mandate to repurchase Shares referred to (ii) above.

The above general mandates will continue in force until (i) the conclusion of the AGM; or (ii) the revocation or variation by ordinary resolution of the Shareholders in a general meeting, whichever occurs first. It is therefore proposed to seek your approval by way of ordinary resolutions to be proposed at the AGM to approve the Issue Mandate, the Repurchase Mandate and the Extension Mandate. The Directors wish to state that they have no immediate plan to allot and issue any new Shares or repurchase any Shares pursuant thereto (if granted). Please refer to resolutions numbered 5 to 7 set out in the notice of AGM on pages 13 to 16 of this circular for details of the proposed Issue Mandate, Repurchase Mandate and Extension Mandate.

As at the Latest Practicable Date, the number of issued Shares was 400,000,000 Shares. Accordingly, subject to the passing of the relevant resolutions and assuming that there will be no change in the number of Shares in issue between the Latest Practicable Date and the date of the AGM, the maximum number of new Shares to be issued under the Issue Mandate is 80,000,000 Shares and the exercise of the Repurchase Mandate in full would enable the Company to repurchase up to 40,000,000 Shares.

EXPLANATORY STATEMENT

An explanatory statement containing all relevant information relating to the proposed Repurchase Mandate is set out in the Appendix I to this circular. The explanatory statement is to provide you with information reasonably necessary to enable you to make an informed decision on whether to vote for or against the resolution to grant to the Directors the Repurchase Mandate at the AGM.

RE-ELECTION OF DIRECTORS

The Board currently consists of six Directors, namely Mr. Yu Cheung Choy, Mr. Lau Man Ching, Mr. Yu Ho Chi, Mr. Lam Yim Nam, Mr. Lee Wing Kee and Mr. To Yan Ming Edmond.

Pursuant to Article 84(1) of the Articles, at each annual general meeting one-third of the Directors for the time being (or, if their number is not a multiple of three (3), the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director shall be subject to retirement at an annual general meeting at least once every three years. In this regard, Mr. Lau Man Ching and Mr. Yu Ho Chi will retire from the office of Directors by rotation and, being eligible, offer themselves for re-election at the AGM.

LETTER FROM THE BOARD

Details of the above-mentioned Directors proposed to be re-elected at the AGM are set out in Appendix II to this circular.

FINAL DIVIDEND

As stated in the announcement issued by the Company dated 26 June 2019 relating to the annual results of the Company for the year ended 31 March 2019, the Board recommended the payment of the Final Dividend to the Shareholders whose names appear on the register of members of the Company on the Record Date, which is subject to the Shareholders' approval at the AGM, and a resolution will be put to the Shareholders for voting at the AGM.

ANNUAL GENERAL MEETING

Set out on pages 13 to 17 of this circular is a notice convening the AGM at which, among other proposed resolutions, ordinary resolutions will be proposed to approve the following:

- (1) the grant of the Issue Mandate;
- (2) the grant of the Repurchase Mandate;
- (3) the grant of the Extension Mandate;
- (4) the re-election of retiring Directors; and
- (5) the declaration of the Final Dividend.

A form of proxy for use at the AGM is enclosed herewith. If you do not intend to attend and vote at the AGM in person, you are requested to complete 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 practicable but in any event by 10:00 a.m. on Monday, 26 August 2019 or not less than 48 hours before the time appointed for holding the adjourned meeting. Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or any adjournment thereof should you so wish, and in such case, the form of proxy previously submitted shall be deemed to be revoked.

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of Shareholders at a general meeting must be taken by poll except where the chairman of the general meeting, in good faith, decides to allow a resolution which relates purely to procedural or administrative matter to be voted by a show of hands. Accordingly, each of the resolutions put to vote at the AGM will be taken by way of poll.

LETTER FROM THE BOARD

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining the identity of the Shareholders entitled to attend and vote at the AGM, the register of members of the Company will be closed from Friday, 23 August 2019 to Wednesday, 28 August 2019, both days inclusive, during the period no transfer of Shares will be effected. In order to be eligible to attend and vote at the AGM, all transfer of Shares 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 Thursday, 22 August 2019.

For the purpose of determining the entitlement of the Shareholders to the Final Dividend, the register of members of the Company will be closed from Tuesday, 3 September 2019 to Wednesday, 4 September 2019, both days inclusive, during the period no transfer of Shares will be effected. In order to qualify for the Final dividend, all transfer of Shares 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, 2 September 2019.

RECOMMENDATION

The Directors consider that the proposed grant of the Issue Mandate, the Repurchase Mandate, the Extension Mandate, the re-election of retiring Directors and the declaration of Final Dividend are in the best interests of the Company and the Shareholders and recommend the Shareholders to vote for the relevant resolutions set out in the notice of the AGM.

GENERAL

Your attention is also drawn to the appendices to this circular.

MISCELLANEOUS

The English text of this circular shall prevail over the Chinese text for the purpose of interpretation.

Yours faithfully,
By Order of the Board
SH Group (Holdings) Limited
Yu Cheung Choy
Chairman

This appendix serves as an explanatory statement, as required by the Listing Rules, to provide the Shareholders with all the information reasonably necessary to enable them to make an informed decision on whether to vote for or against the ordinary resolution to approve the Repurchase Mandate.

1. LISTING RULES RELATING TO THE REPURCHASE OF SHARES

The Listing Rules permit companies whose primary listings are on the Stock Exchange to repurchase their shares on the Stock Exchange subject to certain restrictions. Among such restrictions, the Listing Rules provide that the shares of such a company must be fully paid up and all repurchase of shares by such a company must be approved in advance by an ordinary resolution of the shareholders, either by way of a general mandate or by specific approval of a specific transaction.

2. SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company comprised 400,000,000 Shares. Subject to the passing of the resolution for grant of the Repurchase Mandate (resolution numbered 6 as set out in the notice convening the AGM contained in this circular), and on the basis of 400,000,000 Shares in issue and assuming no Shares will be issued or repurchased by the Company prior to the AGM, the Company will be allowed under the Repurchase Mandate to repurchase a maximum of 40,000,000 Shares.

3. REASONS FOR REPURCHASES

The Directors believe that the Repurchase Mandate is in the best interests of the Company and the Shareholders for the Directors to have general authority from the Shareholders to enable the Company to repurchase Shares in the market. Such repurchases may, depending on market conditions and funding arrangements of the Company at the time, lead to an enhancement of the net assets value per Share and/or earnings per Share and will only be made when the Directors believe that such repurchases will benefit the Company and the Shareholders.

4. FUNDING OF REPURCHASES OF SHARES

Any repurchase of securities of the Company must be funded entirely from the cash flow or working capital facilities available to the Company, and will, in any event be made out of funds legally available for the purpose in accordance with the Articles and the applicable laws of the Cayman Islands and the Listing Rules. Such funds include, but are not limited to, profits available for distribution. Purchases may only be effected out of the profits of the Company or out of the proceeds of a fresh issue of Shares made for the purpose, or, if so authorised by the Articles and subject to the provisions of the Companies Law, out of capital. Any premium payable on a purchase over the par value of the Shares to be purchased must be provided for out of profits of the Company or out of the Company's share premium account, or, if so authorised by the Articles and subject to the provisions of the Companies Law, out of capital.

5. GENERAL

There might be a material adverse impact on the working capital or gearing position as compared with the position disclosed in the audited financial statements of the Company for the year ended 31 March 2019 in the event that the Repurchase Mandate were to be carried out in full at any time during the proposed repurchase period.

However, the Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

6. SHARE PRICES

The highest and lowest prices at which the Shares have traded on the Stock Exchange in each of the previous twelve months up to the Latest Practicable Date were as follows:

	Shares	
	Highest	Lowest
	<i>HK\$</i>	<i>HK\$</i>
2018		
July	0.720	0.640
August	0.740	0.600
September	0.630	0.495
October	0.580	0.455
November	0.580	0.465
December	0.530	0.475
2019		
January	0.500	0.465
February	0.520	0.480
March	0.660	0.500
April	0.590	0.500
May	0.530	0.445
June	0.475	0.420
July (up to and including the Latest Practicable Date)	0.475	0.425

7. UNDERTAKING

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their close associates (as defined in the Listing Rules), have any present intention to sell any Shares to the Company under the Repurchase Mandate if the same is approved by the Shareholders.

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate pursuant to the proposed resolution in accordance with the Listing Rules and the applicable laws of Cayman Islands.

8. CORE CONNECTED PERSON

No core connected person (as defined in the Listing Rules) of the Company has notified the Company that he/she/it has a present intention to sell Shares to the Company, or has undertaken not to do so, in the event that the Repurchase Mandate is approved by the Shareholders.

9. TAKEOVERS CODE AND MINIMUM PUBLIC SHAREHOLDING

If on exercise of the powers of repurchase pursuant to the Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of Rule 32 of the Takeovers Code. As a result, a Shareholder or group of Shareholders acting in concert, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 and Rule 32 of the Takeovers Code.

As at the Latest Practicable Date, according to the register kept by the Company pursuant to section 336 of the SFO and so far as is known to, or can be ascertained after reasonable enquiry by the Directors, (i) Mr. Yu Cheung Choy ("**Mr. Yu Cheung Choy**"), the chairman of the Board and an executive Director, is interested in 246,000,000 Shares held through Prosperously Legend Limited, a company wholly-owned by Mr. Yu Cheung Choy, and (ii) Mr. Lau Man Ching ("**Mr. Lau**"), the chief executive officer and an executive Director, is interested in 54,000,000 Shares held through Simply Grace Limited, a company wholly-owned by Mr. Lau. Pursuant to the acting-in-concert confirmation entered into between Mr. Yu Cheung Choy and Mr. Lau dated 7 July 2016, they confirmed that, among other things, since 21 July 2004, they have been actively cooperating with one another and acting in concert, with an aim to achieving consensus and concerted action on all operating and financing decisions and major affairs relating to each member company within the Group. In this regard, the total number of Shares held by Prosperously Legend Limited and Simply Grace Limited are 300,000,000 Shares, representing 75% of the total issued Shares as the Latest Practicable Date. In the event that the Directors exercise in full the power to repurchase Shares under the Repurchase Mandate, then the attributable interest of Mr. Yu Cheung Choy and Mr. Lau would be increased from 75% to approximately 83.33% of the total number of Shares in issue. Such increase would not give rise to any general offer obligation under the Takeovers Code. The Directors have no present intention to exercise the Repurchase Mandate and will not effect repurchases to such extent which would result in the number of Shares held by the public falling below the prescribed minimum percentage of 25% as required under the Listing Rules.

10. SHARE PURCHASE MADE BY THE COMPANY

The Company has not purchased any of the Shares (whether on the Stock Exchange or otherwise) during the previous six months up to the Latest Practicable Date.

The following set out the details of the Directors who will retire from office by rotation and, being eligible, offer themselves for re-election at the AGM pursuant to the Article 84(1) of the Articles.

Mr. Lau Man Ching (劉文青), aged 53, is the chief executive officer of the Company and an executive Director. He is also the director of all subsidiaries of the Company. He joined the Group and became the sales and marketing manager of Shun Hing E & M Engineering Limited (“**Shun Hing HK**”), an indirect wholly-owned subsidiary of the Company, in October 1995. He then became the director of Shun Hing HK in February 2000. He is primarily responsible for directing the overall management and business operations of the Group.

Mr. Lau obtained a master degree of business administration in management from the Southeastern University in the United States through distance learning in February 1996. He was awarded a diploma in management studies jointly from The Hong Kong Polytechnic University (formerly known as The Hong Kong Polytechnic) and Hong Kong Management Association in Hong Kong in September 1994. He was also awarded a higher diploma in building services engineering from The Hong Kong Polytechnic University (formerly known as The Hong Kong Polytechnic) in Hong Kong in November 1987. He is also the authorised signatory and technical director in the category of registered specialist contractor (sub-register of ventilation works), and the category of minor works contractor type E (Classes II and III) with the Buildings Department for Shun Hing HK.

Mr. Lau has over 30 years in electrical and mechanical engineering (“**E&M engineering**”) services industry. His experience include business management, project management, supervision and execution for various E&M engineering services projects.

Mr. Lau has entered into a service agreement with the Company on 6 December 2016 for a term of three years commencing from 3 January 2017, being the date when the Shares commenced listing on the Main Board of the Stock Exchange. Either party has the right to terminate the service agreement by giving not less than six months’ written notice to the other party. He is subject to retirement by rotation and re-election at least once in every three years in accordance with the Articles. Mr. Lau is entitled to a Director’s remuneration of HK\$2,088,000 per annum and a discretionary bonus may be determined by the Board for each completed year of service.

Save as disclosed above, as at the Latest Practicable Date, Mr. Lau did not (i) hold any directorships in any other listed companies in Hong Kong or overseas in the last three years; (ii) have any other major appointments and professional qualifications; and (iii) hold any other position with the Company or other members of the Group.

As at the Latest Practicable Date, Mr. Lau is interested in 54,000,000 Shares held through Simply Grace Limited, a company wholly-owned by Mr. Lau and is deemed to be interested in 246,000,000 Shares held through Prosperously Legend Limited, a company wholly-owned by Mr. Yu Cheung Choy, the chairman of the Board and an executive Director, pursuant to the acting-in-concert confirmation entered into between Mr. Lau and Mr. Yu Cheung Choy dated 7 July 2016. Save as disclosed above, Mr. Lau does not have any other relationship with any

Directors, senior management, substantial or controlling shareholders (as respectively defined under the Listing Rules) of the Company and he does not have any other interests in the Shares within the meaning of Part XV of the SFO.

Save as disclosed above, there are no other matters that need to be brought to the attention of the Shareholders in relation to the re-election of Mr. Lau and there is no other information which is discloseable pursuant to any of the requirements set out in Rule 13.51(2)(h) to (v) of the Listing Rules.

Mr. Yu Ho Chi (“Mr. Yu”) (俞浩智), aged 30, is the non-executive Director. He joined the Group as non-executive Director on 27 June 2016. He is responsible for providing strategic advice to the Group and acting as a member of the audit committee of the Company.

Mr. Yu graduated from the University of Melbourne in Australia with a bachelor degree of commerce in 2009. He has been a certified public accountant under Hong Kong Institute of Certified Public Accountants since March 2016. He has been also a member of CPA Australia since July 2013.

Mr. Yu is currently working in a company listed on the Main Board of the Stock Exchange as Deputy Head of Investment Department. He was employed by an international accounting firm, in the assurance practice and advisory practice between 2010 and 2016.

Mr. Yu is the son of Mr. Yu Cheung Choy, the chairman of the Board, an executive Director and the controlling Shareholder (as defined under the Listing Rules) of the Company.

Mr. Yu has entered into a letter of appointment with the Company on 6 December 2016 for a term of three years commencing from 3 January 2017, being the date when the Shares commenced listing on the Main Board of the Stock Exchange. Either party has the right to terminate the letter of appointment by giving not less than three months’ written notice to the other party. He is subject to retirement by rotation and re-election at least once in every three years in accordance with the Articles. Mr. Yu is entitled to a Director’s fee of HK\$156,000 per annum which is determined with reference to his duties, responsibilities, and the prevailing market conditions.

Save as disclosed above, as at the Latest Practicable Date, Mr. Yu did not (i) hold any directorships in any other listed companies in Hong Kong or overseas in the last three years; (ii) have any other major appointments and professional qualifications; (iii) hold any other position with the Company or other members of the Group; and (iv) have any relationship with any other Directors, senior management, substantial or controlling shareholders (as respectively defined in the Listing Rule) of the Company.

As at the Latest Practicable Date, Mr. Yu does not have any interest in the Shares within the meaning of Part XV of the SFO.

Save as disclosed above, there are no other matters that need to be brought to the attention of the Shareholders in relation to the re-election of Mr. Yu and there is no other information which is discloseable pursuant to any of the requirements set out in Rule 13.51(2)(h) to (v) of the Listing Rules.

NOTICE OF ANNUAL GENERAL MEETING



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)

NOTICE IS HEREBY GIVEN THAT an annual general meeting (the “**Meeting**”) of SH Group (Holdings) Limited (the “**Company**”) will be held at United Conference Centre, 10/F., United Centre, 95 Queensway, Admiralty, Hong Kong on Wednesday, 28 August 2019 at 10:00 a.m. to consider and, if thought fit, transact the following ordinary businesses:

1. To receive and adopt the audited consolidated financial statements and the report of the directors of the Company (the “**Directors**”) and auditor’s report of the Company for the year ended 31 March 2019.
2. To declare a final dividend of HK1.4 cents per share of the Company for the year ended 31 March 2019.
3.
 - (i) To re-elect Mr. Lau Man Ching as a Director.
 - (ii) To re-elect Mr. Yu Ho Chi as a Director.
 - (iii) To authorise the board of Directors (the “**Board**”) to fix the remuneration of the Directors.
4. To re-appoint Deloitte Touche Tohmatsu as the auditor of the Company and to authorise the Board to fix its remuneration.
5. “**THAT:**
 - (a) subject to the following provisions of this resolution, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares of HK\$0.01 each in the share capital of the Company (the “**Shares**”), and to make or grant offers, agreements and options (including warrants, bonds and debentures convertible into Shares) which might require the exercise of such powers, subject to and in accordance with all applicable laws, be and is hereby generally and unconditionally approved;
 - (b) the approval in paragraph (a) of this resolution shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options (including warrants, bonds and debentures convertible into Shares) which would or might require the exercise of such powers after the end of the Relevant Period;

NOTICE OF ANNUAL GENERAL MEETING

- (c) the aggregate number of Shares allotted and issued or agreed conditionally or unconditionally to be allotted and issued (whether pursuant to options or otherwise) by the Directors pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue (as defined below); or (ii) the exercise of options granted under any share option scheme or similar arrangement adopted from time to time by the Company; or (iii) any scrip dividend or similar arrangements providing for the allotment and issue of Shares in lieu of the whole or part of a dividend on Shares in accordance with the articles of association of the Company in force from time to time; or (iv) any issue of Shares upon the exercise of rights of subscription or conversion under the terms of any warrants of the Company or any securities which are convertible into Shares shall not exceed the aggregate of:
- (i) 20 per cent. of the number of issued Shares on the date of the passing of this resolution; and
 - (ii) (if the Directors are so authorised by a separate ordinary resolution of the shareholders of the Company) the aggregate number of Shares purchased by the Company subsequent to the passing of this resolution (up to a maximum equivalent to 10 per cent. of the number of issued Shares on the date of the passing of this resolution),
- and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly;
- (d) if, after the passing of this resolution, the Company conducts a share consolidation or subdivision, the number of Shares subject to the limit set out in paragraph (c) above shall be adjusted to the effect that the number of Shares subject to the limit set out in paragraph (c) above as a percentage of the total number of issued Shares at the time immediately before and after such consolidation or subdivision shall be the same; and
- (e) for the purpose of this resolution, “Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:
- (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable law of the Cayman Islands to be held; or
 - (iii) the date on which such mandate is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting.

NOTICE OF ANNUAL GENERAL MEETING

“**Rights Issue**” means an offer of Shares, or offer or issue of warrants, options or other securities giving rights to subscribe for Shares open for a period fixed by the Directors to the holders of Shares or any class of Shares whose names appear on the registers of members of the Company on a fixed record date in proportion to their then holdings of such Shares as at that date (subject to such exclusions or other arrangements as the directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory applicable to the Company).”

6. “**THAT:**

- (a) subject to paragraph (b) of this resolution, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase the Shares on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) or any other stock exchange on which the securities of the Company may be listed and recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) or those of any other recognised stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;
- (b) the aggregate number of Shares to be repurchased by the Company pursuant to the approval in paragraph (a) of this resolution shall not exceed 10 per cent. of the total number of issued Shares as at the date of the passing of this resolution, and the said approval shall be limited accordingly;
- (c) if, after the passing of this resolution, the Company conducts a share consolidation or subdivision, the number of Shares subject to the limit set out in paragraph (b) above shall be adjusted to the effect that the number of Shares subject to the limit set out in paragraph (b) above as a percentage of the total number of issued Shares at the time immediately before and after such consolidation or subdivision shall be the same; and
- (d) for the purpose of this resolution, “Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:
 - (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company, any applicable law of the Cayman Islands to be held; or
 - (iii) the date on which such mandate is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting.”

NOTICE OF ANNUAL GENERAL MEETING

7. “**THAT** conditional upon resolutions numbered 5 and 6 above being passed, the unconditional general mandate granted to the Directors to allot, issue and deal with additional Shares and to make or grant offers, agreements, and options which might require the exercise of such powers pursuant to resolution numbered 5 above be and is hereby extended by the additional thereto of an amount representing the aggregate number of Shares repurchased by the Company under the authority granted pursuant to resolution numbered 6 above, provided that such amount shall not exceed 10 per cent. of the total number of issued Shares as at the date of passing the resolution.”

By Order of the Board
SH Group (Holdings) Limited
Tse Kam Fai
Company Secretary

Hong Kong, 26 July 2019

Notes:

1. For the purpose of determining the identity of the shareholders of the Company entitled to attend and vote at the Meeting, the register of members of the Company will be closed from Friday, 23 August 2019 to Wednesday, 28 August 2019, both days inclusive, during the period no transfer of shares will be effected. In order to be eligible to attend and vote at the Meeting, all transfer of shares 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 Thursday, 22 August 2019.
2. For the purpose of determining the entitlement of the shareholders of the Company to the proposed final dividend, the register of members of the Company will be closed from Tuesday, 3 September 2019 to Wednesday, 4 September 2019, both days inclusive, during the period no transfer of shares will be effected. In order to qualify for the proposed final dividend, all transfer of shares 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, 2 September 2019.
3. A member of the Company entitled to attend and vote at the Meeting is entitled to appoint one or, if he/she is the holder of two or more Shares, more proxies to attend and vote instead of him/her. A proxy need not be a member of the Company.
4. In the case of joint holders of Shares, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the vote(s) of the other joint holder(s), seniority being determined by the order in which names stand in the register of members of the Company.
5. In order to be valid, the form of proxy must be in writing under the hand of the appointor or of his attorney duly authorised in writing, or if the appointor is a corporation, either under seal, or under the hand of an officer or attorney or other person duly authorised, and must be deposited with the Hong Kong branch share registrar and transfer office of the Company, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong (together with the power of attorney or other authority, if any, under which it is signed or a certified copy thereof) as soon as practicable but in any event by 10:00 a.m. on Monday, 26 August 2019 or not less than 48 hours before the time appointed for holding the adjourned meeting.
6. With respect to resolution numbered 3 of this notice, Mr. Lau Man Ching and Mr. Yu Ho Chi shall retire from office of directorship and shall offer themselves for re-election in accordance with the articles of association of the Company. Details of their information which are required to be disclosed under the Listing Rules are set out in the circular of the Company dated 26 July 2019.

NOTICE OF ANNUAL GENERAL MEETING

7. References to time and dates in this notice are to Hong Kong time and dates.
8. As at the date of this notice, 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.