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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)

DISCLOSURE PURSUANT TO RULE 13.18 OF THE LISTING RULES

This announcement is made by SH Group (Holdings) Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.18 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

The board (the “**Board**”) of directors (the “**Directors**”) of the Company announces that on 28 August 2019, Shun Hing E & M Engineering Limited (the “**Borrower**”), an indirect wholly-owned subsidiary of the Company, as borrower and the Company, as guarantor, entered into a banking facility letter (the “**Facility Letter**”) with a bank (the “**Bank**”), as lender, for a general banking facilities in an aggregate maximum amount of HK\$80,000,000 (the “**Facility**”). The Facility have no fixed term and are subject to periodic review of the Bank.

Under the Facility Letter, the Facility include, inter alia, conditions to the effect that:

- (a) Mr. Yu Cheung Choy (“**Mr. Yu**”), the chairman of the Board (the “**Chairman**”) and executive Director, and Mr. Lau Man Ching (“**Mr. Lau**”), the chief executive officer of the Company and executive Director, shall maintain as the largest shareholders of the Company directly or indirectly; and
- (b) Mr. Yu and Mr. Lau shall remain as the Chairman or executive Directors.

A breach of any of the above conditions will constitute an event of default under the Facility Letter. If such an event of default occurs, all amounts due by the Borrower to the Bank shall become immediately due and payable and the Bank shall not be required to make any further advances under any of such facility offered to the Borrower.

As at the date of this announcement, Mr. Yu is interested in 246,000,000 shares of the Company held through Prosperously Legend Limited, a company wholly-owned by Mr. Yu, and Mr. Lau is interested in 54,000,000 shares of the Company held through Simply Grace Limited, a company wholly-owned by Mr. Lau. Pursuant to the acting-in-concert confirmation entered into between Mr. Yu 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, Mr. Yu and Mr. Lau are interested/deemed to be interested in 300,000,000 shares of the Company, representing 75% of the total issued shares of the Company as the date of this announcement.

The Company will make continuing disclosure pursuant to Rule 13.21 of the Listing Rules.

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

Hong Kong, 28 August 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.