

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 Friday, 28 August 2020 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 15 to 19 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 Wednesday, 26 August 2020 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.

PRECAUTIONARY MEASURES FOR THE ANNUAL GENERAL MEETING

Please see page ii of this circular for measures being taken to try to prevent and control the spread of the coronavirus disease 2019 (“COVID-19”) at the Annual General Meeting, including:

- **Compulsory body temperature checks**
- **Compulsory wearing of surgical face masks (no mask will be provided)**
- **No distribution of corporate gift or refreshments**

Any person who does not comply with the precautionary measures or is subject to any Hong Kong Government prescribed quarantine may be denied entry into the Annual General Meeting venue. The Company strongly advises shareholders of the Company (the “Shareholders”) to appoint the chairman of the Annual General Meeting as their proxy to vote on the relevant resolution(s) at the Annual General Meeting as an alternative to attending the meeting in person.

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PRECAUTIONARY MEASURES FOR THE ANNUAL GENERAL MEETING

In view of the ongoing COVID-19 pandemic and recent requirements, if any, for prevention and control of its spread, the Company will implement precautionary measures at the Annual General Meeting in the interests of the health and safety of our shareholders, investors, directors, staff and other participants of the Annual General Meeting (the “Stakeholders”) which include without limitation:

- (1) There will be **compulsory body temperature checks** for all persons before entering the Annual General Meeting venue. Any person with a body temperature above the reference range quoted by the Department of Health from time to time or any person which exhibits any flu-like symptoms may be denied entry to the Annual General Meeting venue or be required to promptly leave the Annual General Meeting venue.
- (2) Every attendee **will be required to wear a surgical face mask** throughout the Annual General Meeting and inside the Annual General Meeting venue. Attendees are advised to maintain appropriate social distance with each other at all times when attending the Annual General Meeting. Please note that no masks will be provided at the Annual General Meeting venue and attendees should wear their own masks.
- (3) **No refreshments will be served, and there will be no corporate gift.**
- (4) Attendees will be asked (i) if he/she has travelled outside of Hong Kong within 14 days immediately before the Annual General Meeting; AND (ii) if he/she is subject to any Hong Kong Government prescribed quarantine requirement. Any person who responds positively to any of these questions will be denied entry into the Annual General Meeting venue.
- (5) Anyone attending the Annual General Meeting is reminded to observe good personal hygiene at all times.
- (6) Appropriate seating arrangement at the Annual General Meeting venue in line with the regulations and guidance from the Hong Kong Government will be made.
- (7) To the extent permitted by law, the Company reserves the right to deny entry into the Annual General Meeting venue or require any person to leave the Annual General Meeting venue so as to ensure the health and safety of the attendees at the Annual General Meeting.
- (8) **In light of the continuing risks posed by the COVID-19 pandemic, and in the interests of protecting the Stakeholders, the Company is supportive of the precautionary measures being adopted and reminds Shareholders that physical attendance in the Annual General Meeting is not necessary for the purpose of exercising voting rights. The Company strongly advises Shareholders to appoint the chairman of the Annual General Meeting as their proxy to vote on the relevant resolution(s) as an alternative to attending the Annual General Meeting in person.**
- (9) **Shareholders are advised to monitor the development of COVID-19. Subject to the development of COVID-19, the Company may implement further changes and precautionary measures and may issue further announcement on such measures as appropriate.**
- (10) Health education materials and up-to-date development on COVID-19 can be found on the website of the Center for Health Protection of the Department of Health (www.chp.gov.hk) and the website of the Hong Kong Government on COVID-19 (www.coronavirus.gov.hk).

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 Friday, 28 August 2020 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 HK1.7 cents per Share for the year ended 31 March 2020 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
“Latest Practicable Date”	17 July 2020, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein

DEFINITIONS

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Nomination Committee”	the nomination committee of the Company
“Record Date”	Friday, 4 September 2020, 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*)
Mr. Yu Ho Chi

Independent Non-executive Directors:

Mr. Lam Yim Nam
Mr. Lee Wing Kee
Dr. Law Man Wah

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

24 July 2020

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 28 August 2019, 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 15 to 19 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 Dr. Law Man Wah.

Pursuant to Article 83(3) of the Articles, the Directors shall have the power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy on the Board or as an addition to the existing Board. Any Director appointed by the Board to fill a casual vacancy shall hold office until the first general meeting of members after his appointment and be subject to re-election at such meeting and any Director appointed by the Board as an addition to the existing Board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election.

LETTER FROM THE BOARD

Dr. Law Man Wah (“**Dr. Law**”) was appointed as an independent non-executive Director with effect from 1 November 2019. In this regard, Dr. Law is subject to retirement and re-election at the AGM pursuant to Article 83(3) of the Articles and, being eligible, offers himself for re-election.

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. Lam Yim Nam (“**Mr. Lam**”) and Mr. Lee Wing Kee (“**Mr. Lee**”), both being independent non-executive Directors, will retire from the office of Directors by rotation and, being eligible, offer themselves for re-election at the AGM.

The Nomination Committee has reviewed the biographical information of the retiring Directors and considered that the re-election of each of Mr. Lam, Mr. Lee and Dr. Law as independent non-executive Director would be in the best interests of the Company and the Shareholders as a whole by taking into accounts that Mr. Lam has extensive experience in banking industry, Mr. Lee has extensive experience in property and construction industry, and Dr. Law has extensive experience in finance industry, their working profile and other perspectives, skills and experience are set out in Appendix II to this circular. The Nomination Committee is satisfied that each of Mr. Lam, Mr. Lee and Dr. Law has the required character, integrity and experience to continuously fulfil his role as an independent non-executive Director effectively. Mr. Lam, Mr. Lee and Dr. Law possess the perspectives, skills and experiences that can bring to the Board and ensure diversity in the composition of the Board.

The Nomination Committee has also assessed the independence of each of Mr. Lam, Mr. Lee and Dr. Law based on reviewing their annual written confirmations of independence to the Company pursuant to Rule 3.13 of the Listing Rules and confirmed that all of them remain independent.

Accordingly, with the recommendation of the Nomination Committee, the Board has proposed that all the retiring Directors stand for re-election as Directors at the AGM.

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 29 June 2020 relating to the annual results of the Company for the year ended 31 March 2020, 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.

LETTER FROM THE BOARD

ANNUAL GENERAL MEETING

Set out on pages 15 to 19 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 Wednesday, 26 August 2020 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.

To the best of the Director's knowledge, information and belief, having made all reasonable enquiries, the Directors confirmed that no Shareholder is required to abstain from voting on the resolutions to be proposed at the AGM.

Your attention is drawn to the "Precautionary Measures for the Annual General Meeting" as set out on page ii of this circular.

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 Tuesday, 25 August 2020 to Friday, 28 August 2020, 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 Monday, 24 August 2020.

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 Thursday, 3 September 2020 to Friday, 4 September 2020, 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 Wednesday, 2 September 2020.

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 2020 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 <i>HK\$</i>	Lowest <i>HK\$</i>
2019		
July	0.480	0.420
August	0.445	0.370
September	0.490	0.360
October	0.465	0.365
November	0.440	0.370
December	0.450	0.400
2020		
January	0.475	0.375
February	0.400	0.340
March	0.425	0.290
April	0.305	0.270
May	0.300	0.270
June	0.315	0.250
July (up to and including the Latest Practicable Date)	0.340	0.280

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**"), 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, 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 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 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 and, being eligible, offer themselves for re-election at the AGM pursuant to the Articles 83(3) and 84(1) of the Articles.

Mr. Lam Yim Nam (“**Mr. Lam**”) (林炎南), aged 68, was appointed as an independent non-executive Director on 6 December 2016. He is also the chairman of the remuneration committee of the Company (the “**Remuneration Committee**”) and a member of each of the audit committee of the Company (the “**Audit Committee**”) and the Nomination Committee.

Mr. Lam obtained a master degree in business administration from The Chinese University of Hong Kong in Hong Kong in December 1995. He also obtained a bachelor degree of business administration with honours from The Chinese University of Hong Kong in Hong Kong in July 1980.

Mr. Lam has held several positions in various banks. He has been appointed as an independent non-executive director of Bank of Communications (Hong Kong) Limited since December 2019. He was an independent director of Shenzhen Rural Commercial Bank from May 2012 to May 2018. He was the deputy chief executive of Bank of China (Hong Kong) Limited from October 2001 to April 2011, and was responsible for overseeing retail banking business. He also held various positions in the group companies of Bank of China Group and Bank of China (Hong Kong) Limited, from August 1980 to April 2011, and was responsible for managing the business operations of the group companies.

Mr. Lam has been an honorary adviser of The Hong Kong Institute of Bankers since 2011. He was a visiting professor of the Vocational Training Council from September 2011 to August 2015. He was an adjunct professor in the department of finance of The Chinese University of Hong Kong from March 2011 to 28 February 2014. He was a member of Hong Kong Banking Industry Training Advisory Committee from August 2010 to July 2012. He was a director of Community Chest of Hong Kong from June 2006 to March 2011. He was a member of Mandatory Provident Fund Schemes Advisory Committee from April 2009 to March 2011. He was a member of the Chongqing Committee of Chinese People’s Political Consultative Conference (中國人民政治協商會議重慶市委員會) from January 2008 to December 2012.

The Company has renewed the letter of appointment with Mr. Lam for a term of three years commencing on 3 January 2020. 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 pursuant to the Articles. Mr. Lam is entitled to a Director’s fee of HK\$156,000 per annum which is determined with reference to his duties, responsibilities, the prevailing market conditions, and the recommendation from the Remuneration Committee.

Save as disclosed above, as at the Latest Practicable Date, Mr. Lam 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 Rules) of the Company.

As at the Latest Practicable Date, Mr. Lam 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. Lam 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. Lee Wing Kee (“**Mr. Lee**”) (李永基), aged 67, was appointed as an independent non-executive Director on 6 December 2016. He is also the chairman of Nomination Committee and member of each of the Audit Committee and the Remuneration Committee.

Mr. Lee obtained a bachelor degree of science (engineering) (civil engineering) from the Queen Mary College, University of London in the United Kingdom in August 1976. He has been a member of the Hong Kong Institution of Engineers in Hong Kong since August 1983.

Mr. Lee joined Shui On Building Contractors Limited in April 1985 and held various positions in the company. Among the various positions he held, he was the deputy managing director of SOCAM Asset Management (HK) Limited from July 2013 to June 2016. He was the deputy managing director of Shui On Construction Company Limited from July 2013 to July 2014 and the executive director of Shui On Construction Company Limited from October 2000 to June 2013. All of the above companies are subsidiaries of SOCAM Development Limited, a company whose shares are listed on the Main Board of the Stock Exchange (stock code: 983).

Mr. Lee was a member of the disciplinary board panel of the Commissioner for Labour from March 2009 to February 2015. He was a member of the Committee on Employees’ Compensation from January 2009 to December 2014. He was the chairman of Construction Workers Qualification Committee of Construction Workers Registration Authority from May 2006 to October 2010. He was a council member of Hong Kong Construction Association from April 2003 to June 2016, the vice president of Hong Kong Construction Association from 2005 to 2013 and the chairman of the building committee of Hong Kong Construction Association from 2005 to 2013 respectively. He was a member of Construction Workers Registration Authority of Environment, Transport and Works Bureau from October 2004 to October 2010. He was a member of Building Sub-committee of Land and Building Advisory Committee from April 2003 to March 2007 and a member of Construction Industry Training Authority from September 2003 to May 2007. He was the deputy honorary treasurer of The Hong Kong Construction Association, Ltd., the chairman of the Training Sub-committee and the vice chairman of the Training, Health and Safety Committee of The Hong Kong Construction Association Ltd. from 2003 to 2005 respectively.

The Company has renewed the letter of appointment with Mr. Lee for a term of three years commencing on 3 January 2020. 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 pursuant to the Articles. Mr. Lee is entitled to a Director's fee of HK\$156,000 per annum which is determined with reference to his duties, responsibilities, the prevailing market conditions, and the recommendation from the Remuneration Committee.

Save as disclosed above, as at the Latest Practicable Date, Mr. Lee 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 Rules) of the Company.

As at the Latest Practicable Date, Mr. Lee 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. Lee 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.

Dr. Law Man Wah (“**Dr. Law**”) (羅文華), aged 68, was appointed as an independent non-executive Director on 1 November 2019. He is also the chairman of Audit Committee and member of each of the Nomination Committee and the Remuneration Committee.

Dr. Law graduated from The Chinese University of Hong Kong with a bachelor degree of business administration in October 1975 and obtained a master degree in business administration from Brunel University (currently known as Brunel University London), United Kingdom through distance learning in May 1992, a master of science degree in finance from City University of Hong Kong in November 1995 and a master of business (accounting) from Monash University, Australia through distance learning in November 2000. In October 2011, he was conferred Doctor of Business Administration by the Hong Kong Polytechnic University, major in finance and accounting. Dr. Law also holds various professional qualifications, including Certified Management Accountant in United States of America, Certified Banker and Certified Financial Management Planner of the Hong Kong Institute of Bankers. He is also a member of the Hong Kong Institute of Directors. Moreover, Dr. Law holds the International Certificate in Banking Risk and Regulation from the Global Association of Risk Professionals.

Dr. Law has over 30 years' experience in the finance industry. He worked for Nanyang Commercial Bank Ltd. (“**NCB**”) from February 1983 to September 2001 and held various positions in NCB. He was the deputy general manager of NCB from March 1992 to September 2001 and was responsible for accounting, financial management, information technology, organisation and method, etc. He was the director of NCB from August 1994 to April 2007. Dr. Law worked for Bank of China (Hong Kong) Limited from October 2001 to October 2010

where his last position held was head of financial management and general manager of financial management department. He was involved in the restructuring and listing of BOC Hong Kong (Holdings) Limited in 2001 and 2002. During his terms of appointment in Bank of China (Hong Kong) Limited, he was responsible for accounting, financial compliance, budgeting preparation and control, etc. He also served as director of BOCI-Prudential Trustee Limited from October 1999 to March 2009. Currently, Dr. Law is a member of examination moderation committee of Hong Kong Institute of Bankers and a specialist of Hong Kong Council for Accreditation of Academic & Vocational Qualifications.

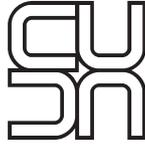
The Company entered into a letter of appointment with Dr. Law for a term of three years with effect from 1 November 2019. Either party has the right to terminate the letter of appointment by giving not less than three months' written notice to the other party. He is subject to re-election at the first general meeting of the Company after his appointment and thereafter subject to retirement by rotation and re-election at least once in every three years pursuant to the Articles. Dr. Law is entitled to a Director's fee of HK\$156,000 per annum which is determined with reference to his duties, responsibilities, the prevailing market conditions, and the recommendation from the Remuneration Committee.

Save as disclosed above, as at the Latest Practicable Date, Dr. Law 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 Rules) of the Company.

As at the Latest Practicable Date, Dr. Law 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 Dr. Law 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 Friday, 28 August 2020 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 2020.
2. To declare a final dividend of HK1.7 cents per share of the Company for the year ended 31 March 2020.
3.
 - (i) To re-elect Mr. Lam Yim Nam as a Director.
 - (ii) To re-elect Mr. Lee Wing Kee as a Director.
 - (iii) To re-elect Dr. Law Man Wah as a Director.
 - (iv) 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;

NOTICE OF ANNUAL GENERAL MEETING

- (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;
- (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 “**Shareholders**”)) 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

NOTICE OF ANNUAL GENERAL MEETING

- (iii) the date on which such mandate is revoked or varied by an ordinary resolution of the Shareholders in 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

NOTICE OF ANNUAL GENERAL MEETING

(iii) the date on which such mandate is revoked or varied by an ordinary resolution of the Shareholders in 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, 24 July 2020

Notes:

1. For the purpose of determining the identity of the Shareholders entitled to attend and vote at the Meeting, the register of members of the Company will be closed from Tuesday, 25 August 2020 to Friday, 28 August 2020, 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 Monday, 24 August 2020.
2. For the purpose of determining the entitlement of the Shareholders to the proposed final dividend, the register of members of the Company will be closed from Thursday, 3 September 2020 to Friday, 4 September 2020, 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 Wednesday, 2 September 2020.
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 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 (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 Wednesday, 26 August 2020 or not less than 48 hours before the time appointed for holding the adjourned meeting.

NOTICE OF ANNUAL GENERAL MEETING

6. With respect to resolution numbered 3 of this notice, Mr. Lam Yim Nam, Mr. Lee Wing Kee and Dr. Law Man Wah 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 24 July 2020.
7. In view of the coronavirus disease 2019 (“COVID-19”) pandemic, the Company will implement precautionary measures at the Meeting. Shareholders are advised to read page ii of the circular of the Company dated 24 July 2020 for details of the precautionary measures and monitor the development of COVID-19. Subject to the development of COVID-19, the Company may implement further changes and precautionary measures and may issue further announcement on such measures as appropriate.
8. In light of the continuing risks posed by the COVID-19 pandemic, the Company strongly advises Shareholders to appoint the chairman of the Meeting as their proxy to vote on the relevant resolution(s) as an alternative to attending the Meeting in person.
9. In case the venue is being closed on the date of Meeting due to COVID-19, the Meeting shall stand adjourned to the same day in the next week or at such other time and place as the chairman of the Meeting may determine. The Company will post an announcement on the Stock Exchange and the Company’s website notifying Shareholders of the date, time and place of the adjourned meeting.
10. References to time and dates in this notice are to Hong Kong time and dates.
11. As at the date of this notice, Mr. Yu Cheung Choy, Mr. Lau Man Ching and Mr. Yu Ho Chi are the executive Directors; and Mr. Lam Yim Nam, Mr. Lee Wing Kee and Dr. Law Man Wah are the independent non-executive Directors.