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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)

DIVIDEND POLICY

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

The board (the “**Board**”) of directors of the Company (the “**Directors**”) is pleased to announce that the Board has approved and adopted the following new set of dividend policy (the “**Dividend Policy**”) with effect from 25 October 2021:

1. PURPOSE

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

2. PRINCIPLES AND GUIDELINES

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

2.2 The Board shall also take into account, among other things, the following when considering the declaration and payment of dividends in any financial year/period:

- the Group's overall results of operation, financial condition, business strategies and operations, future cash commitments and investment needs to sustain the long-term growth of business, working capital requirements, capital expenditure requirements, liquidity position and future expansions plans;
- the amount of retained profits and distributable reserves of the Company;
- general economic conditions, business cycle of the Group's business and other internal or external factors that may have an impact on the business or financial performance and position of the Group; and
- any other factors that the Board deems relevant.

2.3 The declaration and payment of dividends by the Company is subject to any restrictions under the Companies Law of the Cayman Islands, the Company's memorandum and articles of association, the Listing Rules and any other applicable laws and regulations.

2.4 Subject to the above and as a general guideline, in normal circumstances, the Board should not recommend an amount of dividend less than 30% and greater than 50% of the profit after tax in any particular year.

2.5 The Dividend Policy shall in no way constitute a legally binding commitment by the Company in respect of its future dividend and/or in no way obligate the Company to declare a dividend at any time or from time to time.

3. **REVIEW OF THE POLICY**

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

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

Hong Kong, 25 October 2021

As at the date of this announcement, 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.