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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**”).

Reference is made to (i) the announcements of the Company dated 28 August 2019 and 8 October 2020 with regard to the general banking facilities granted by a bank (the “**Bank**”) to Shun Hing E & M Engineering Limited (the “**Borrower**”), an indirect wholly-owned subsidiary of the Company, as borrower, in an aggregate maximum amount of HK\$80,000,000 (the “**Previous Facilities**”) and (ii) the announcement of the Company dated 31 August 2021 with regard to the revision of the Previous Facilities to up to an aggregate maximum amount of HK\$150,000,000 (the “**Facility**”) to the Borrower.

The board (the “**Board**”) of directors (the “**Directors**”) of the Company announces that the Bank has, pursuant to its periodic review, agreed to continue to make available the Facility to the Borrower. The Facility has no fixed term and is subject to periodic review of the Bank. The banking facilities letter (the “**Facility Letter**”) relating to the Facility was signed on 22 August 2022.

Under the Facility Letter, the Facility would continue to include, inter alia, the following conditions:

- (i) Mr. Yu Cheung Choy (“**Mr. Yu**”), the chairman of the Board (the “**Chairman**”) and an executive Director, and Mr. Lau Man Ching (“**Mr. Lau**”), the chief executive officer of the Company and an executive Director, shall remain as the largest shareholders of the Company directly or indirectly; and
- (ii) 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, 22 August 2022

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.