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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)

**ANNUAL RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 31 MARCH 2025**

FINANCIAL HIGHLIGHTS

(for the year ended 31 March 2025)

- Revenue was approximately HK\$608.5 million (2024: HK\$876.2 million)
- Gross profit was approximately HK\$33.0 million (2024: HK\$16.3 million)
- Profit for the year attributable to owners of the Company was approximately HK\$5.4 million (2024: loss of HK\$15.2 million)
- Basic earnings per share was approximately HK1.3 cents per share (2024: loss of HK3.8 cents per share)

ANNUAL RESULTS

The board (the “Board”) of directors (the “Directors”) of SH Group (Holdings) Limited (the “Company”) presents the audited consolidated results of the Company and its subsidiaries (collectively as the “Group”) for the year ended 31 March 2025 (the “Year” or “FY2025”), together with the comparative figures for the year ended 31 March 2024 (“Last Year” or “FY2024”) as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2025

	<i>Notes</i>	For the year ended 31 March	
		2025	2024
		HK\$'000	HK\$'000
Revenue	3	608,490	876,177
Direct costs		(575,520)	(859,888)
Gross profit		32,970	16,289
Other income		3,272	3,471
Other gain (loss)		3,358	(4,536)
Net impairment loss recognised under expected credit loss model		(5,831)	(3,221)
Administrative expenses		(26,376)	(27,127)
Finance costs		(1,197)	(2,217)
Profit (loss) before taxation		6,196	(17,341)
Income tax (expense) credit	4	(808)	2,130
Profit (loss) and total comprehensive income (expense) for the year		5,388	(15,211)
Earnings (loss) per share			
— Basic (HK cents)	5	1.3	(3.8)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2025

		As at 31 March	
		2025	2024
	<i>Notes</i>	HK\$'000	HK\$'000
Non-current assets			
Property and equipment		16,520	17,387
Right-of-use assets		503	2,350
Deposits		2,716	2,919
Debt instruments at amortised cost		4,377	6,665
Financial assets at fair value through profit or loss		22,741	19,951
Deferred tax assets		7,875	8,683
		54,732	57,955
Current assets			
Trade receivables	7	81,460	145,777
Other receivables, deposits and prepayments		4,997	17,045
Contract assets	8	136,983	226,107
Debt instruments at amortised cost		2,349	—
Tax recoverable		—	3,930
Bank balances and cash		97,521	44,634
		323,310	437,493
Current liabilities			
Trade and bills payables	9	31,898	105,339
Other payables and accrued charges		91,712	106,049
Contract liabilities	8	15,241	14,993
Lease liabilities		487	2,322
Provision for onerous contracts		3,972	1,613
Bank borrowings		—	35,000
		143,310	265,316
Net current assets		180,000	172,177
Total assets less current liabilities		234,732	230,132
Non-current liabilities			
Other provision		391	954
Lease liabilities		47	272
		438	1,226
Net assets		234,294	228,906
Capital and reserves			
Share capital		4,000	4,000
Reserves		230,294	224,906
Equity attributable to owners of the Company		234,294	228,906

Notes:

1. GENERAL INFORMATION

The Company was incorporated and registered as an exempted company with limited liability in the Cayman Islands under the Companies Act (as revised) of the Cayman Islands on 9 May 2016. The address of the Company's registered office and the principal place of business in Hong Kong are Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands and Units 603-606, 6/F, Tower I, Cheung Sha Wan Plaza, 833 Cheung Sha Wan Road, Kowloon, Hong Kong, respectively. Its immediate and ultimate holding company is Prosperously Legend Limited, which was incorporated in the British Virgin Islands and wholly owned by Mr. Yu Cheung Choy ("Mr. Yu"), who is also the chairman of the Board and executive Director. The Company's shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 3 January 2017.

The Group is principally engaged in providing electrical and mechanical engineering ("E&M engineering") services in Hong Kong.

2. ACCOUNTING STANDARDS

Amendments to HKFRS Accounting Standards that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") for the first time, which are mandatorily effective for the Group's annual periods beginning on 1 April 2024 for the preparation of the consolidated financial statements:

Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

The application of the amendments to HKFRS Accounting Standards in the current year has had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

New and amendments to HKFRS Accounting Standards in issue but not yet effective

The Group has not early applied the following new and amendments to HKFRS Accounting Standards that have been issued but are not yet effective:

Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments ³
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity ³
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ¹
Amendments to HKFRSs	Annual Improvements to HKFRS Accounting Standards – Volume 11 ³
Amendments to HKAS 21	Lack of Exchangeability ²
HKFRS 18	Presentation and Disclosure in Financial Statements ⁴

¹ Effective for annual periods beginning on or after a date to be determined

² Effective for annual periods beginning on or after 1 January 2025

³ Effective for annual periods beginning on or after 1 January 2026

⁴ Effective for annual periods beginning on or after 1 January 2027

Except for the new HKFRS Accounting Standard mentioned below, the directors of the Company anticipate that the application of all other amendments to HKFRS Accounting Standards will have no material impact on the consolidated financial statements in the foreseeable future.

HKFRS 18 “Presentation and Disclosure in Financial Statements”

HKFRS 18 “Presentation and Disclosure in Financial Statements”, which sets out requirements on presentation and disclosures in financial statements, will replace HKAS 1 “Presentation of Financial Statements”. This new HKFRS Accounting Standard, while carrying forward many of the requirements in HKAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some HKAS 1 paragraphs have been moved to HKAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors” and HKFRS 7 “Financial Instruments: Disclosures”. Minor amendments to HKAS 7 “Statement of Cash Flows” and HKAS 33 “Earnings per Share” are also made.

HKFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. The application of the new standard is expected to affect the presentation of the statement of profit or loss and disclosures in the future financial statements. The Group is in the process of assessing the detailed impact of HKFRS 18 on the Group’s consolidated financial statements.

3. REVENUE AND SEGMENT INFORMATION

Revenue

Revenue represents the fair value of amounts received or receivable arising from the engineering service contracts of the Group from external customers. The Group's revenue was solely derived from E&M engineering services with the focus on the supply, installation and maintenance of mechanical ventilation and air-conditioning system ("MVAC system") and low voltage electrical system in Hong Kong during the years ended 31 March 2025 and 2024.

Disaggregation of revenue

	For the year ended 31 March	
	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
Type of services (revenue recognised over time)		
– Supply, installation and maintenance of MVAC system	446,587	597,052
– Supply, installation and maintenance of low voltage electrical system	161,903	279,125
	<u>608,490</u>	<u>876,177</u>

The revenue recognised for the years ended 31 March 2025 and 2024 was mainly from private sector projects.

Segment information

For the purpose of resources allocation and performance assessment, the executive directors of the Company, being the chief operating decision maker, review the overall results and financial position of the Group as a whole. Accordingly, the Group has only one single operating segment and only entity-wide disclosures, major customers and geographical information are presented.

Geographical information

The Group's revenue are all derived from Hong Kong based on the location of services delivered and the Group's property and equipment and right-of-use assets amounting to HK\$17,023,000 as at 31 March 2025 (2024: HK\$19,737,000) are all located in Hong Kong by physical location of assets.

Information about major customers

Revenue attributed from customers that accounted for 10% or more of the Group's total revenue during the years is as follows:

	For the year ended 31 March	
	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
Customer A	127,139	224,458
Customer B	98,722	N/A*
Customer C	72,685	145,750
Customer D	68,826	116,242

* Revenue from the relevant customers was less than 10% of the Group's total revenue for the respective period.

4. INCOME TAX (EXPENSE) CREDIT

	For the year ended 31 March	
	2025	2024
	HK\$'000	HK\$'000
Hong Kong Profits Tax:		
Deferred taxation	<u>(808)</u>	<u>2,130</u>

Under the two-tiered profits tax rates regime of Hong Kong Profits Tax, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

No provision for Hong Kong Profits Tax has been recognised in the consolidated financial statements as the Group did not generate any assessable profit in Hong Kong for both years.

5. EARNINGS (LOSS) PER SHARE

The calculation of basic earnings (loss) per share is based on the following data:

	For the year ended 31 March	
	2025	2024
Profit (loss) for the purpose of calculating basic earnings (loss) per share:		
Profit (loss) for the year attributable to owners of the Company (HK\$'000)	<u>5,388</u>	<u>(15,211)</u>
Number of shares:		
Number of ordinary shares for the purpose of calculating basic earnings (loss) per share	<u>400,000,000</u>	<u>400,000,000</u>

No diluted earnings (loss) per share for the years ended 31 March 2025 and 2024 was presented as there was no dilutive potential ordinary share in issue for both years.

6. DIVIDENDS

During the years ended 31 March 2025 and 2024, no dividend was declared or paid to the shareholders of the Company. The Board did not propose any final dividend in respect of the year ended 31 March 2025.

7. TRADE RECEIVABLES

	As at 31 March	
	2025	2024
	HK\$'000	HK\$'000
Trade receivables	86,258	147,289
Less: Impairment loss allowance	<u>(4,798)</u>	<u>(1,512)</u>
	<u>81,460</u>	<u>145,777</u>

The Group grants credit terms of 30 days to its customers from the date of invoices on progress billings of contract works. An aged analysis of the trade receivables net of impairment loss allowance presented based on the invoice date at the end of each reporting period is as follows:

	As at 31 March	
	2025	2024
	HK\$'000	HK\$'000
Within 30 days	63,325	136,557
31 – 60 days	16,007	5,544
61 – 90 days	122	2,671
Over 90 days	<u>2,006</u>	<u>1,005</u>
	<u>81,460</u>	<u>145,777</u>

8. CONTRACT ASSETS AND CONTRACT LIABILITIES

	As at 31 March	
	2025	2024
	HK\$'000	HK\$'000
Contract assets	140,991	227,884
Less: Impairment loss allowance	<u>(4,008)</u>	<u>(1,777)</u>
	<u>136,983</u>	<u>226,107</u>
Contract liabilities	<u>15,241</u>	<u>14,993</u>

9. TRADE AND BILLS PAYABLES

The credit period on purchases and subcontracting of contract work services ranges from 30 to 60 days generally. The following is an aged analysis of trade payables presented based on the invoice date and bills payables presented based on the date of issuance of the bills at the end of each reporting period:

		As at 31 March	
		2025	2024
		HK\$'000	HK\$'000
Trade payables:			
Within 30 days		7,558	32,600
31 – 60 days		20,834	54,185
61 – 90 days		1,862	15,541
Over 90 days		—	418
		30,254	102,744
Bills payables:			
Within 30 days		1,644	2,595
		31,898	105,339

MANAGEMENT DISCUSSION AND ANALYSIS

The Group is principally engaged in providing E&M engineering services in Hong Kong. We provide services in relation to the supply, installation and maintenance of MVAC system, and also provide services in relation to low voltage electrical system and other E&M systems, including fire services system, plumbing and drainage system, in both private and public sectors.

BUSINESS REVIEW

Our revenue decreased by approximately HK\$267.7 million, or 30.6%, from approximately HK\$876.2 million for FY2024 to approximately HK\$608.5 million for FY2025. Major projects awarded and major projects undertaken in FY2025 are outlined below.

Projects awarded in FY2025

During FY2025, we were awarded 8 projects (2024: 5) with an aggregate contract sum of approximately HK\$241.1 million (2024: HK\$226.8 million), out of which 3 projects with an aggregate contract sum of approximately HK\$121.2 million were related to electrical system installation (2024: nil).

The following table sets forth the particulars of the five largest projects awarded in FY2025:

Key scope of work	Type (Residential/ Non-residential) ^(Note)	Date of award	Original Contract sum HK\$'million
MVAC system installation for a housing development at Kai Tak, Kowloon	Residential	16 July 2024	69.8
Electrical system installation for a proposed residential development at Wanchai, Hong Kong	Residential	24 March 2025	58.3
Electrical system installation for a proposed commercial re-development at Jordan, Kowloon	Non-residential	22 January 2025	33.9
MVAC system installation for a commercial building at Shatin, New Territories	Non-residential	5 September 2024	29.8
Electrical system installation for a redevelopment at Tsim Sha Tsui, Kowloon	Non-residential	24 January 2025	29.0

Note: “Residential” refers to projects that involve residential flats while “Non-residential” refers to projects that do not involve residential flats.

Major projects undertaken in FY2025

During FY2025, the Group continued to focus its efforts on the supply, installation and maintenance of MVAC system and low voltage electrical system. Revenue contributed by projects relating to MVAC system and low voltage electrical system accounted for approximately 73.4% and 26.6% respectively (2024: 68.1% and 31.9%).

The following table sets forth the particulars of the five largest projects undertaken in FY2025 in terms of revenue contribution:

Key scope of work	Type (Residential/ Non-residential)	Date of award	Original Contract sum <i>HK\$'million</i>	Revenue recognised during FY2025 <i>HK\$'million</i>
MVAC system installation for a property development at Yuen Long, New Territories	Residential	29 April 2022	160.9	97.6
Electrical system installation for a proposed residential development at Sham Shui Po, Kowloon	Residential	19 February 2021	294.2	64.1
MVAC system installation for a proposed residential development at Kai Tak, Kowloon	Residential	21 December 2021	145.4	53.5
MVAC system installation for a proposed residential development at Tseung Kwan O, New Territories	Residential	17 February 2022	125.4	53.4
Electrical system installation for a commercial development at Cheung Sha Wan, Kowloon	Non-residential	23 September 2020	88.8	51.2

OUTLOOK

The property market in Hong Kong continues to navigate a complex landscape marked by ongoing economic uncertainties and high interest rates. In this year, the challenges faced by the industry remain significant.

Despite these challenges, the Hong Kong Government's commitment to increasing the supply of land and housing remains a vital focus. Recent adjustments to demand-side management measures for residential properties have begun to yield positive outcomes, with overall transactions in the property market showing signs of steady improvement. This shift indicates a potential stabilisation in the market, providing a strong indication of potential recovery.

In response to the prevailing market conditions, the Group is actively pursuing strategies to enhance its competitive edge. The Group is concentrating on targeted projects that align with market needs while implementing rigorous cost control measures to optimise the operations. Additionally, the Group is looking into opportunities to expand our service capabilities into areas other than residential and commercial sectors. This diversification not only opens new business opportunities but also positions us to capture new industrial demands in the market.

Moreover, the Group is diversifying its portfolio by venturing into various types of E&M engineering services, such as fire services systems and plumbing and drainage systems. Leveraging the established reputation, client satisfaction, and proven track record, the Group is optimistic about achieving steady growth and delivering long-term value to our shareholders.

Looking ahead, while the property market may continue to face challenges, the Group's proactive approach and commitment to innovation position us well to navigate this landscape. The Group remains dedicated to adapting to market dynamics and seizing opportunities that arise, ensuring a sustainable future for our business.

FINANCIAL REVIEW

Revenue

Our revenue decreased by approximately HK\$267.7 million, or 30.6%, from approximately HK\$876.2 million for FY2024 to approximately HK\$608.5 million for FY2025. Revenue contributed by projects relating to the supply, installation and maintenance of MVAC system and low voltage electrical system was approximately 73.4% and 26.6% respectively (2024: 68.1% and 31.9% respectively).

Gross profit and gross profit margin

Our gross profit increased by approximately HK\$16.7 million, or 102.5% from approximately HK\$16.3 million for FY2024 to approximately HK\$33.0 million for FY2025. Our gross profit margin increased by approximately 3.5 percentage points, from approximately 1.9% for FY2024 to approximately 5.4% for FY2025. The change was mainly attributable to the increase in revenue and gross profit from variation orders with higher margins agreed upon at the conclusion of certain projects.

Other income

Other income for FY2025 slightly decreased by approximately HK\$0.2 million from approximately HK\$3.5 million for FY2024 to approximately HK\$3.3 million for FY2025.

Other gain (loss)

We recorded an other gain of approximately HK\$3.4 million for FY2025, which was attributable to the fair value gain of financial assets at fair value through profit or loss (“FVTPL”), comparing to the other loss of approximately HK\$4.5 million for FY2024 due to the fair value loss on financial assets at FVTPL.

Net impairment loss recognised under expected credit loss model

We recognised a net impairment loss under expected credit loss model of approximately HK\$5.8 million for FY2025 (2024: HK\$3.2 million).

Administrative expenses

Our administrative expenses mainly represented administrative staff costs, professional fees and depreciation. The amount slightly decreased from approximately HK\$27.1 million for FY2024 to approximately HK\$26.4 million for FY2025.

Finance costs

Our finance costs represented interest expenses on bank borrowings and lease liabilities, with an amount of approximately HK\$1.2 million for FY2025 (2024: HK\$2.2 million). The decrease in finance cost was mainly due to the repayment of bank borrowings during the Year.

Income tax (expense) credit

Due to the combined effect of the above factors, we recorded a profit before taxation of approximately HK\$6.2 million (2024: loss of HK\$17.3 million) and an income tax expense of approximately HK\$0.8 million (2024: income tax credit of HK\$2.1 million) was recognised as a result for FY2025. The effective tax rate for FY2025 was approximately 13.0% (2024: 12.3%).

Profit (loss) attributable to owners of the Company

As a result of the foregoing, we recorded a profit attributable to owners of the Company of approximately HK\$5.4 million for FY2025 (2024: loss of HK\$15.2 million).

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

Capital Structure

As at 31 March 2025, the capital structure of the Group consisted of equity of approximately HK\$234.3 million (2024: HK\$228.9 million). The Group did not have any bank borrowing as of 31 March 2025 (2024: HK\$35.0 million).

As at 31 March 2025, the issued share capital of the Company was HK\$4,000,000 divided into 400,000,000 ordinary shares of HK\$0.01 each.

Cash position and fund available

During the Year, the Group maintained a healthy liquidity position, with working capital being financed by its operating cash flows, bank borrowings and the retained profits.

As at 31 March 2025, the Group held bank balance and cash of approximately HK\$97.5 million (2024: HK\$44.6 million).

As at 31 March 2025, the current ratio of the Group was approximately 2.3 times (2024: 1.6 times).

Bank Borrowings and Bank Facilities

As at 31 March 2025, the Group did not have any bank borrowings (2024: HK\$35.0 million). As at 31 March 2025, the Group had a facility agreement entered into with a bank with a facility limit of HK\$150.0 million (2024: HK\$150.0 million). The Company had made undertakings relating to certain performance obligations of the controlling shareholders, namely Mr. Yu and Mr. Lau Man Ching (“Mr. Lau”), who is the chief executive officer of the Company and an executive Director, pursuant to the facility agreement including the following: (i) Mr. Yu and Mr. Lau undertake to maintain as the largest shareholders of the Company directly or indirectly; and (ii) Mr. Yu and Mr. Lau shall remain as the chairman or director of the Company. The facility agreement remains effective as at the date of this announcement.

GEARING RATIO

As at 31 March 2025, the Group did not have any bank borrowing and its gearing ratio was nil. As at 31 March 2024, the Group’s gearing ratio was approximately 15.3%, calculated as the bank borrowings divided by the total equity as at the end of the respective years and multiplied by 100%.

NET CURRENT ASSETS

As at 31 March 2025, the Group had net current assets of approximately HK\$180.0 million (2024: HK\$172.2 million).

The Group’s policy is to regularly monitor its liquidity requirements and its compliance with covenants in relation to banking facility agreements, so as to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from the banks to meet its liquidity requirements. The Board is not aware of any liquidity issue that may cast significant doubt on the Group’s ability to continue as a going concern.

CAPITAL EXPENDITURES

The Group's capital expenditures for FY2025 amounted to approximately HK\$0.3 million (2024: HK\$0.3 million), which was incurred for the purchase of property and equipment.

FOREIGN EXCHANGE EXPOSURE

The Group's revenue-generating activities were transacted in Hong Kong Dollar, which is the functional currency of the respective group companies. The Board considers that the Group was not exposed to significant foreign exchange risk, and had not entered into any financial instrument for hedging. The Board will review the Group's foreign exchange risk and exposure from time to time and will apply hedging where necessary.

PERFORMANCE GUARANTEES AND CONTINGENT LIABILITY

As at 31 March 2025, performance guarantees of approximately HK\$155.2 million (2024: HK\$145.2 million) were given by banks in favour of the Group's customers as security for the due performance and observance of the Group's obligations under the contracts entered into between the Group and its customers. If the Group fails to provide satisfactory performance to its customers to whom performance guarantees have been given, such customers may demand the banks to pay to them the sum or sum stipulated in such demand. The Group will become liable to compensate such banks accordingly. The performance guarantees will be released upon completion of the contracts work.

The Group had no contingent liability as at 31 March 2025 and 2024.

PLEDGE OF ASSETS

As at 31 March 2025, the Group's leasehold land and buildings of approximately HK\$15.7 million (2024: HK\$16.4 million) were pledged with a bank to secure the banking facilities including performance guarantees issued by the bank.

CAPITAL COMMITMENTS

As at 31 March 2025, the Group did not have any capital commitments contracted but not provided for (2024: HK\$0.1 million).

EMPLOYEES, TRAINING AND REMUNERATION POLICY

As at 31 March 2025, the Group had a total of 139 employees (2024: 202). The remuneration offered to employees generally includes salaries, medical benefits and bonus. In general, the Group determines salaries of its employees based on each employee's qualification, position and seniority. The Group provides training to its employees according to the work requirements.

MATERIAL ACQUISITIONS AND DISPOSALS

The Group did not have any material acquisitions and disposals of subsidiaries, associates and joint ventures during FY2025.

SIGNIFICANT INVESTMENTS HELD

The Group did not have any significant investments held as at 31 March 2025.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

The Group did not have plans for material investments or capital assets as at 31 March 2025.

CORPORATE GOVERNANCE AND OTHER INFORMATION

Compliance with Corporate Governance Code

The Company has adopted the code provisions set out in the Corporate Governance Code (the “CG Code”) as set out in Part 2 of Appendix C1 to the Rules (the “Listing Rules”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) as its own code of corporate governance. The Board is of the opinion that the Company has complied, to the extent applicable and permissible, with all the code provisions set out in the CG Code during the Year.

Directors’ Securities Transactions

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix C3 to the Listing Rules as the code of conduct regarding securities transactions by the Directors. Having made specific enquiry of all Directors, all Directors have confirmed that they have complied with the required standard set out in the Model Code during the Year.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S LISTED SECURITIES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company’s listed securities during the Year.

EVENTS AFTER THE REPORTING PERIOD

The Board is not aware of any significant event requiring disclosure that has taken place subsequent to 31 March 2025 and up to the date of this announcement.

REVIEW OF ANNUAL RESULTS BY AUDIT COMMITTEE

The Company has established the audit committee of the Company (the “Audit Committee”) on 6 December 2016 with written terms of reference in compliance with the Listing Rules as amended from time to time. The Audit Committee currently consists of three independent non-executive Directors, namely Dr. Law Man Wah (as chairman), Mr. Lam Yim Nam and Mr. Lee Wing Kee. The Audit Committee has reviewed the Group’s consolidated financial statements for the Year, including the accounting principles and practices adopted by the Group, as well as the risk management and internal control systems of the Group.

SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the Year as set out in this announcement have been agreed by the Group's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the Group's audited consolidated financial statements for the Year as approved by the Board on 25 June 2025. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Messrs. Deloitte Touche Tohmatsu on the preliminary announcement.

FINAL DIVIDEND

The Directors did not recommend any final dividend for the Year.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining the identity of the shareholders of the Company entitled to attend and vote at the Company's 2025 annual general meeting to be held on Friday, 29 August 2025 (the "2025 AGM"), the register of members of the Company will be closed from Monday, 25 August 2025 to Friday, 29 August 2025, both days inclusive, during the period no transfer of shares will be registered. In order to be eligible to attend and vote at the 2025 AGM, all transfer of shares accompanied by the relevant certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Friday, 22 August 2025.

ANNUAL REPORT

The 2024-25 Annual Report will be published on the Company's website at <http://www.shunhingeng.com> and the Stock Exchange's website at www.hkexnews.hk in due course.

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

Hong Kong, 25 June 2025

As at the date of this announcement, the Board comprises Mr. Yu Cheung Choy, Mr. Lau Man Ching and Mr. Yu Ho Chi as the executive Directors; Ms. Yu Tsz Wai as the non-executive Director; and Mr. Lam Yim Nam, Mr. Lee Wing Kee and Dr. Law Man Wah as the independent non-executive Directors.