

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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 2024**

FINANCIAL HIGHLIGHTS

(for the year ended 31 March 2024)

- Revenue was approximately HK\$876.2 million (2023: HK\$954.3 million)
- Gross profit was approximately HK\$16.3 million (2023: HK\$8.7 million)
- Loss for the year attributable to owners of the Company was approximately HK\$15.2 million (2023: HK\$11.0 million)
- Basic loss per share was approximately HK3.8 cents per share (2023: HK2.8 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 2024 (the “Year” or “FY2024”), together with the comparative figures for the year ended 31 March 2023 (“Last Year” or “FY2023”) as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2024

	<i>Notes</i>	For the year ended 31 March	
		2024	2023
		<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue	3	876,177	954,255
Direct costs		(859,888)	(945,599)
Gross profit		16,289	8,656
Other income		3,471	10,902
Other loss		(4,536)	(4,215)
Net impairment loss recognised under expected credit loss model		(3,221)	(1,762)
Administrative expenses		(27,127)	(27,541)
Finance costs		(2,217)	(49)
Loss before taxation		(17,341)	(14,009)
Income tax credit	4	2,130	3,007
Loss and total comprehensive expense for the year		(15,211)	(11,002)
Loss per share			
— Basic (HK cents)	5	(3.8)	(2.8)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2024

		As at 31 March	
	Notes	2024	2023
		HK\$'000	HK\$'000
Non-current assets			
Property and equipment		17,387	18,361
Right-of-use assets		2,350	599
Deposits		2,919	2,858
Debt instruments at amortised cost		6,665	6,523
Financial assets at fair value through profit or loss		19,951	40,191
Deferred tax assets		8,683	6,553
		<u>57,955</u>	<u>75,085</u>
Current assets			
Trade receivables	7	145,777	67,150
Other receivables, deposits and prepayments		17,045	13,572
Contract assets	8	226,107	233,409
Debt instruments at amortised cost		—	478
Tax recoverable		3,930	3,063
Short term bank deposits		—	52,621
Bank balances and cash		44,634	61,362
		<u>437,493</u>	<u>431,655</u>
Current liabilities			
Trade and bills payables	9	105,339	72,174
Other payables and accrued charges		106,049	124,192
Contract liabilities	8	14,993	59,122
Lease liabilities		2,322	582
Provision for onerous contracts		1,613	6,197
Bank borrowings		35,000	—
		<u>265,316</u>	<u>262,267</u>
Net current assets		<u>172,177</u>	<u>169,388</u>
Total assets less current liabilities		<u>230,132</u>	<u>244,473</u>
Non-current liabilities			
Other provision		954	308
Lease liabilities		272	48
		<u>1,226</u>	<u>356</u>
Net assets		<u>228,906</u>	<u>244,117</u>
Capital and reserves			
Share capital		4,000	4,000
Reserves		224,906	240,117
Equity attributable to owners of the Company		<u>228,906</u>	<u>244,117</u>

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. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

New and amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the following new and amendments to HKFRSs 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 2023 for the preparation of the consolidated financial statements:

HKFRS 17 (including the October 2020 and February 2022 Amendments to HKFRS 17)	Insurance Contracts
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to HKAS 12	International Tax Reform-Pillar Two Model Rules
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies

Except as described below, the application of the new and amendments to HKFRSs 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 the consolidated financial statements.

Impacts on application of Amendments to HKAS 1 and HKFRS Practice Statement 2 "Disclosure of Accounting Policies"

The Group has applied the amendments for the first time in the current year. HKAS 1 "Presentation of Financial Statements" is amended to replace all instances of the term "significant accounting policies" with "material accounting policy information". Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The amendments also clarify that accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material. If an entity chooses to disclose immaterial accounting policy information, such information must not obscure material accounting policy information.

HKFRS Practice Statement 2 “Making Materiality Judgements” (the “Practice Statement”) is also amended to illustrate how an entity applies the “four-step materiality process” to accounting policy disclosures and to judge whether information about an accounting policy is material to its financial statements. Guidance and examples are added to the Practice Statement.

The application of the amendments has had no material impact on the Group’s financial positions and performance but has affected the disclosure of the Group’s accounting policies to the consolidated financial statements.

Amendments to HKFRSs in issue but not yet effective

The Group has not early applied the following amendments to HKFRSs that have been issued but are not yet effective:

Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ¹
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback ²
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) ²
Amendments to HKAS 1	Non-current Liabilities with Covenants ²
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements ²
Amendments to HKAS 21	Lack of Exchangeability ³

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 2024

³ Effective for annual periods beginning on or after 1 January 2025

The directors of the Company anticipate that the application of all amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

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 2024 and 2023.

Disaggregation of revenue

	For the year ended 31 March	
	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
Type of services (revenue recognised over time)		
– Supply, installation and maintenance of MVAC system	597,052	740,617
– Supply, installation and maintenance of low voltage electrical system	279,125	213,638
	<u>876,177</u>	<u>954,255</u>

The revenue recognised for the years ended 31 March 2024 and 2023 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\$19,737,000 as at 31 March 2024 (2023: HK\$18,960,000) 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	
	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
Customer A	224,458	119,794
Customer B	145,750	169,980
Customer C	116,242	N/A*
Customer D	N/A*	213,482
Customer E	N/A*	105,699
	<u>N/A*</u>	<u>105,699</u>

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

4. INCOME TAX CREDIT

	For the year ended 31 March	
	2024	2023
	HK\$'000	HK\$'000
Hong Kong Profits Tax:		
Current tax		
Over-provision in prior years	—	19
Deferred taxation	<u>2,130</u>	<u>2,988</u>
	<u><u>2,130</u></u>	<u><u>3,007</u></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. LOSS PER SHARE

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

	For the year ended 31 March	
	2024	2023
Loss for the purpose of calculating basic loss per share:		
Loss for the year attributable to owners of the Company (HK\$'000)	<u>(15,211)</u>	<u>(11,002)</u>
Number of shares:		
Number of ordinary shares for the purpose of calculating basic loss per share	<u>400,000,000</u>	<u>400,000,000</u>

No diluted loss per share for the years ended 31 March 2024 and 2023 was presented as there was no dilutive potential ordinary share in issue for both years.

6. DIVIDENDS

During the year ended 31 March 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 2024.

During the year ended 31 March 2023, a final dividend in respect of the year ended 31 March 2022 of HK1.0 cent per ordinary share (HK\$4.0 million in aggregate) and a special interim dividend of HK3.5 cents per ordinary share (HK\$14.0 million in aggregate) were declared and paid to the shareholders of the Company.

7. TRADE RECEIVABLES

	As at 31 March	
	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
Trade receivables	147,289	67,708
Less: Impairment loss allowance	<u>(1,512)</u>	<u>(558)</u>
	<u>145,777</u>	<u>67,150</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	
	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
0 – 30 days	136,557	30,226
31 – 60 days	5,544	28,694
61 – 90 days	2,671	4,260
Over 90 days	<u>1,005</u>	<u>3,970</u>
	<u>145,777</u>	<u>67,150</u>

8. CONTRACT ASSETS AND CONTRACT LIABILITIES

	As at 31 March	
	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
Contract assets	227,884	234,819
Less: Impairment loss allowance	<u>(1,777)</u>	<u>(1,410)</u>
	<u>226,107</u>	<u>233,409</u>
Contract liabilities	<u>14,993</u>	<u>59,122</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	
	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
Trade payables:		
0 – 30 days	32,600	32,585
31 – 60 days	54,185	39,434
61 – 90 days	15,541	—
Over 90 days	418	155
	<hr/> 102,744	<hr/> 72,174
Bills payables:		
0 – 30 days	<hr/> 2,595	<hr/> —
	<hr/> 105,339	<hr/> 72,174
	<hr/> <hr/> 105,339	<hr/> <hr/> 72,174

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\$78.1 million, or 8.2%, from approximately HK\$954.3 million for FY2023 to approximately HK\$876.2 million for FY2024. Major projects awarded and major projects undertaken in FY2024 are outlined below.

Projects awarded in FY2024

During FY2024, we were awarded 5 projects (2023: 3) with an aggregate contract sum of approximately HK\$226.8 million, which were related to MVAC system installation (2023: HK\$185.5 million).

The following table sets forth the particulars of the projects awarded in FY2024:

Key scope of work	Type (Residential/ Non-residential) ^(Note)	Date of award	Contract sum HK\$'million
MVAC system installation for a property development at Aberdeen, Hong Kong	Residential	18 September 2023	103.7
MVAC system installation for a housing development at Hung Shui Kiu, New Territories	Residential	16 October 2023	38.7
MVAC system installation for a housing development at Kai Tak, Kowloon	Residential	22 August 2023	31.0
MVAC system installation for a housing development at Fanling, New Territories	Residential	11 March 2024	29.7
MVAC system installation for hospitals in Hong Kong	Non-residential	24 May 2023	23.7

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 FY2024

During FY2024, 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 68.1% and 31.9% respectively (2023: 77.6% and 22.4%).

The following table sets forth the particulars of the five largest projects undertaken in FY2024 in terms of revenue contribution:

Key scope of work	Type (Residential/ Non-residential)	Date of award	Contract sum <i>HK\$'million</i>	Revenue recognised during FY2024 <i>HK\$'million</i>
Electrical system installation for a proposed residential development at Sham Shui Po, Kowloon	Residential	19 February 2021	294.2	119.0
MVAC system installation for a proposed residential development at Kai Tak, Kowloon	Residential	21 December 2021	145.4	80.9
MVAC system installation for a commercial development at Cheung Sha Wan, Kowloon	Non-residential	5 October 2020	171.0	69.2
Electical system installation for a proposed development at Yau Tong, Kowloon	Residential	16 February 2022	108.7	67.3
Electrical system installation for a commercial development at Cheung Sha Wan, Kowloon	Non-residential	23 September 2020	88.8	57.2

OUTLOOK

The property market in Hong Kong has experienced its share of challenges in recent times, especially in the high interest rate and uncertain economic environment. In this challenging environment for the industry, the tendering for new private development projects is expected to reduce as property developers are more cautious in the land bidding for private housing development. Owing to the pricing pressure and reduced construction demand, the private development in progress is also expected to slow down.

Looking forward, the upcoming year is expected to continue to be a challenging period for the industry and the Group due to the abovementioned industrywide challenges. Nevertheless, sufficient supply of land and housing is continued to be the key direction of the Hong Kong Government. With the adjustments to the demand-side management measures in relation to the reduction in property stamp duty for residential properties, the overall transactions in the property market have been increased.

The Group has also been looking for ways to mitigate these challenges by focusing on targeted projects and implementing various cost control measures in order to remain competitive in the market. The Group will further expand its service capabilities in the public sectors to capture additional business opportunities amid the slowdown in private development projects. Also, the Group has been more active in diversifying our businesses into other types of E&M engineering services, including fire services system, plumbing and drainage system. With our long-established reputation, client satisfaction, experience and proven track record in the industry, the Group takes a positive attitude in achieving a steady growth in the business and creating long term value to its shareholders in the years to come.

FINANCIAL REVIEW

Revenue

Our revenue decreased by approximately HK\$78.1 million, or 8.2%, from approximately HK\$954.3 million for FY2023 to approximately HK\$876.2 million for FY2024. Revenue contributed by projects relating to the supply, installation and maintenance of MVAC system and low voltage electrical system was approximately 68.1% and 31.9% respectively (2023: 77.6% and 22.4% respectively).

Gross profit and gross profit margin

Our gross profit increased by approximately HK\$7.6 million, or 87.4% from approximately HK\$8.7 million for FY2023 to approximately HK\$16.3 million for FY2024. Our gross profit margin increased by approximately 1.0 percentage point, from approximately 0.9% for FY2023 to approximately 1.9% for FY2024. The increase in gross profit and gross profit margin was mainly attributable to the change in the mix of projects undertaken in both years.

Other income

Other income for FY2024 decreased by approximately HK\$7.4 million from approximately HK\$10.9 million for FY2023 to approximately HK\$3.5 million for FY2024. The decrease was mainly due to the fact that there was no government grant received and recognised from the Employment Support Scheme launched by The Government of the Hong Kong Special Administrative Region for the year ended 31 March 2024 (2023: HK\$6.2 million).

Other loss

We recorded an other loss of approximately HK\$4.5 million for FY2024, which was mainly attributable to the fair value loss of financial assets at fair value through profit or loss (2023: HK\$4.2 million).

Net impairment loss recognised under expected credit loss model

We recognised a net impairment loss under expected credit loss model of approximately HK\$3.2 million for FY2024 (2023: HK\$1.8 million).

Administrative expenses

Our administrative expenses mainly represented administrative staff costs, professional fees and depreciation. The amount decreased from approximately HK\$27.5 million for FY2023 to approximately HK\$27.1 million for FY2024.

Finance costs

Our finance costs represented interest expenses on bank borrowings and lease liabilities, with an amount of approximately HK\$2.2 million for FY2024 (2023: HK\$0.1 million).

Income tax credit

Due to the combined effect of the above factors, we recorded a loss before taxation of approximately HK\$17.3 million (2023: HK\$14.0 million) and an income tax credit of approximately HK\$2.1 million (2023: HK\$3.0 million) was recognised as a result for FY2024. The effective tax rate for FY2024 was approximately 12.3% (2023: 21.5%).

Loss attributable to owners of the Company

As a result of the foregoing, we recorded a loss attributable to owners of the Company of approximately HK\$15.2 million for FY2024 (2023: HK\$11.0 million).

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

Capital Structure

As at 31 March 2024, the capital structure of the Group consisted of equity of approximately HK\$228.9 million (2023: HK\$244.1 million) and bank borrowings of HK\$35.0 million (2023: Nil).

As at 31 March 2024, 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 2024, the Group held bank balance and cash of approximately HK\$44.6 million (2023: HK\$61.4 million). The Group did not hold any short term bank deposit as at 31 March 2024 (2023: HK\$52.6 million).

As at 31 March 2024, the current ratio of the Group was approximately 1.6 times (2023: 1.6 times).

Bank Borrowings and Bank Facilities

As at 31 March 2024, the Group had total bank borrowings of HK\$35.0 million (2023: Nil). As at 31 March 2024, the Group had a facility agreement entered into with a bank with a facility limit of HK\$150.0 million (2023: 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 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%. As at 31 March 2023, the Group did not have any bank borrowing and its gearing ratio was nil.

NET CURRENT ASSETS

As at 31 March 2024, the Group had net current assets of approximately HK\$172.2 million (2023: HK\$169.4 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 FY2024 amounted to approximately HK\$0.3 million (2023: HK\$0.7 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 2024, performance guarantees of approximately HK\$145.2 million (2023: HK\$178.9 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 2024 and 2023.

PLEDGE OF ASSETS

As at 31 March 2024, the Group's leasehold land and buildings of approximately HK\$16.4 million (2023: HK\$17.1 million) were pledged with a bank to secure the banking facilities including performance guarantees issued by the bank.

CAPITAL COMMITMENTS

As at 31 March 2024, the Group had capital commitments of approximately HK\$0.1 million in relation to acquisition of property and equipment contracted but not provided for (2023: HK\$0.1 million).

EMPLOYEES, TRAINING AND REMUNERATION POLICY

As at 31 March 2024, the Group had a total of 202 employees (2023: 200). 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 FY2024.

SIGNIFICANT INVESTMENTS HELD

The Group did not have any significant investments held as at 31 March 2024.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

The Group did not have plans for material investments or capital assets as at 31 March 2024.

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 2024 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 27 June 2024. 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 2024 annual general meeting to be held on Thursday, 29 August 2024 (the "2024 AGM"), the register of members of the Company will be closed from Friday, 23 August 2024 to Thursday, 29 August 2024, both days inclusive, during the period no transfer of shares will be registered. In order to be eligible to attend and vote at the 2024 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 Thursday, 22 August 2024.

ANNUAL REPORT

The 2023-24 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, 27 June 2024

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; and Mr. Lam Yim Nam, Mr. Lee Wing Kee and Dr. Law Man Wah as the independent non-executive Directors.