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If you are in any doubt about this circular or as to the action to be taken, you should consult your licensed securities dealer, registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Sterling Group Holdings Limited, you should at once hand this circular and the enclosed form of proxy to the purchaser or the transferee or to the bank, licensed securities dealer, registered institution in securities, or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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Sterling Group Holdings Limited

美臻集團控股有限公司*

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 1825)

PROPOSED SHARE CONSOLIDATION, PROPOSED CHANGE IN BOARD LOT SIZE AND NOTICE OF EXTRAORDINARY GENERAL MEETING

A notice convening the extraordinary general meeting of Sterling Group Holdings Limited to be held at 19/F., Win Plaza, 9 Sheung Hei Street, San Po Kong, Kowloon, Hong Kong on 2 July 2021 at 11:00 a.m. is set out on pages 12 to 13 of this circular. A form of proxy for use at the extraordinary general meeting is enclosed with this circular and such form of proxy is also published on the websites of Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk and the Company at www.sterlingapparel.com.hk. Whether or not you are able to attend such meeting, you are requested to complete and sign the accompanying form of proxy in accordance with the instructions printed thereon and return it, together with the power of attorney or other authority (if any) under which it is signed or a certified copy of the power of attorney or authority, to the Company's Hong Kong branch share registrar and transfer office, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding such meeting or any adjourned meeting thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at such meeting or any adjourned meeting thereof (as the case may be) should you so wish and in such event, the form of proxy shall be deemed to be revoked.

PRECAUTIONARY MEASURES FOR EXTRAORDINARY GENERAL MEETING

Due to the constantly evolving COVID-19 pandemic situation, the Company may need to take certain precautionary measures at the venue of the extraordinary general meeting to ensure the safety of attendees, including (but not limited to) requiring all attendees to have body temperature check and wear face masks. In addition, no refreshments will be served and no corporate gift will be distributed at the extraordinary general meeting. The Company reserves the right to deny admission to the extraordinary general meeting venue if any person does not comply with the precautionary measures to be taken at the extraordinary general meeting or such person is subject to any HKSAR Government prescribed quarantine.

* *For identification purpose only*

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions have the following meanings:

“Board”	the board of Directors
“Business Day”	a day (other than a Saturday, Sunday, public holiday and any day on which a tropical cyclone warning no. 8 or above is hoisted, “extreme condition” caused by super typhoons or on which a “black” rainstorm warning is hoisted between 9:00 a.m. and 5:00 p.m.) on which licensed banks are generally open for business in Hong Kong throughout their normal business hours
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“CCASS Operational Procedures”	the Operational Procedures of HKSCC in relation to CCASS, containing the practices, procedures and administrative requirements relating to operations and functions of CCASS, as amended from time to time
“Change in Board Lot Size”	the proposed change in board lot size of the Shares for trading on the Stock Exchange from 10,000 Existing Shares of par value of HK\$0.01 each to 2,500 Consolidated Shares of par value of HK\$0.04 each
“Company”	Sterling Group Holdings Limited, an exempted company incorporated in the Cayman Islands with limited liability and the securities of which are listed on the Main Board of the Stock Exchange
“Consolidated Share(s)”	ordinary share(s) of par value of HK\$0.04 each in the share capital of the Company immediately after the Share Consolidation becoming effective
“Director(s)”	director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be held for the purpose of considering and, if thought fit, approving the Share Consolidation
“Existing Share(s)”	ordinary share(s) of par value of HK\$0.01 each in the existing share capital of the Company before the Share Consolidation becoming effective

DEFINITIONS

“General Rules of CCASS”	the terms and conditions regulating the use of CCASS, as may be amended or modified from time to time and where the context so permits, shall include the CCASS Operational Procedures
“HKSCC”	Hong Kong Securities Clearing Company Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Latest Practicable Date”	8 June 2021, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information in this circular
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China
“Share(s)”	the Existing Share(s) or as the context may require, the Consolidated Share(s)
“Share Consolidation”	the proposed consolidation of every four (4) issued and unissued Existing Shares of par value of HK\$0.01 each in the share capital of the Company into one (1) Consolidated Share of par value of HK\$0.04 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the issued Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

EXPECTED TIMETABLE

The expected timetable for the proposed Share Consolidation and the Change in Board Lot Size is set out below. The expected timetable is subject to the results of the EGM and is therefore for indicative purpose only. Any change to the expected timetable will be announced in a separate announcement by the Company as and when appropriate. All times and dates in this circular refer to Hong Kong local times and dates.

2021

Latest time for lodging transfers of Shares in order to qualify for attendance and voting at the EGM.	4:30 p.m. on Friday, 25 June
Register of members closes (both days inclusive)	Monday, 28 June to Friday, 2 July
Latest time for lodging forms of proxy for the EGM	11:00 a.m. on Wednesday, 30 June
Record date for attendance and voting at the EGM.	Friday, 2 July
Date and time of the EGM	11:00 a.m. on Friday, 2 July
Publication of the announcement of the results of the EGM.	Friday, 2 July

The following events are conditional on the fulfillment of the conditions for the implementation of the Share Consolidation as set out herein.

Effective date of the Share Consolidation	Tuesday, 6 July
First day of free exchange of existing share certificates for new share certificates for Consolidated Shares	Tuesday, 6 July
Dealing in the Consolidated Shares commences	9:00 a.m. on Tuesday, 6 July
Original counter for trading in the Existing Shares in board lots of 10,000 Existing Shares (in the form of existing share certificates) temporarily closes	9:00 a.m. on Tuesday, 6 July
Temporary counter for trading in the Consolidated Shares in board lots of 2,500 Consolidated Shares (in the form of existing share certificates) opens	9:00 a.m. on Tuesday, 6 July

EXPECTED TIMETABLE

2021

- Original counter for trading in the Consolidated Shares in board lots of 2,500 Consolidated Shares (in the form of new share certificates for the Consolidation Shares) re-opens 9:00 a.m. on
Tuesday, 20 July
- Parallel trading in the Consolidated Shares (in the form of new share certificates for the Consolidated Shares and existing share certificates) commences 9:00 a.m. on
Tuesday, 20 July
- Temporary counter for trading in the Consolidated Shares in board lots of 2,500 Consolidated Shares (in the form of existing share certificates) closes 4:10 p.m. on
Monday, 9 August
- Parallel trading in the Consolidated Shares (in the form of new share certificates for the Consolidation Shares and existing share certificates) ends. 4:10 p.m. on
Monday, 9 August
- Last day for free exchange of existing share certificates for new share certificates for the Consolidated Shares Wednesday, 11 August

LETTER FROM THE BOARD

Sterling Group Holdings Limited
美臻集團控股有限公司*

(incorporated in the Cayman Islands with limited liability)
(Stock Code: 1825)

Executive Directors:

Ms. Wong Mei Wai Alice
Mr. Siu Yik Ming
Mr. Chung Sam Kwok Wai

Non-executive Director:

Mr. Choi Siu Wai William (*Chairman*)

Independent non-executive Directors:

Mr. Chan Kee Huen Michael
Mr. Cheng King Hoi Andrew
Mr. Ko Ming Tung Edward

Registered Office:

2nd Floor, Century Yard
Cricket Square
P.O. Box 902
Grand Cayman KY1-1103
Cayman Islands

*Headquarters and principal of
business in Hong Kong:*

18-19/F, Win Plaza
9 Sheung Hei Street
San Po Kong
Kowloon
Hong Kong

11 June 2021

To the Shareholders

Dear Sir or Madam,

**PROPOSED SHARE CONSOLIDATION,
PROPOSED CHANGE IN BOARD LOT SIZE
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

INTRODUCTION

Reference is made to the announcement of the Company dated 3 June 2021 in relation to, among other matters, the proposed Share Consolidation and Change in Board Lot Size. The purpose of this circular is to provide you with more information regarding the proposed Share Consolidation, proposed Change in Board Lot Size and the notice of EGM.

* *For identification purpose only*

LETTER FROM THE BOARD

PROPOSED SHARE CONSOLIDATION

The Board proposes that every four (4) issued and unissued Existing Shares of par value of HK\$0.01 each in the share capital of the Company be consolidated into one (1) Consolidated Share of par value of HK\$0.04 each.

Effects of the Share Consolidation

As at the Latest Practicable Date, there are 800,000,000 Existing Shares of par value of HK\$0.01 each in issue which are fully paid or credited as fully paid. Assuming no further Shares will be issued from the Latest Practicable Date up to the date of the EGM, upon the Share Consolidation becoming effective, there will be 200,000,000 Consolidated Shares of par value of HK\$0.04 each in issue which are fully paid or credited as fully paid.

Upon the Share Consolidation becoming effective, the Consolidated Shares shall rank *pari passu* in all respects with each other.

Other than the expenses to be incurred in relation to the Share Consolidation, the implementation of the Share Consolidation will not alter the underlying assets, business operations, management or financial position of the Company or the proportionate interests or rights of the Shareholders.

Conditions of the Share Consolidation

The implementation of the Share Consolidation is conditional upon:

- (i) the passing of an ordinary resolution by the Shareholders at the EGM to approve the Share Consolidation;
- (ii) the Stock Exchange granting the listing of, and permission to deal in, the Consolidated Shares upon the Share Consolidation becoming effective; and
- (iii) the compliance with the relevant procedures and requirements under the applicable laws of the Cayman Islands and the Listing Rules to effect the Share Consolidation.

The Share Consolidation is expected to become effective on Tuesday, 6 July 2021 subject to the fulfilment of the above conditions.

As at the Latest Practicable Date, none of the above conditions has been fulfilled.

Listing Application

An application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Consolidated Shares upon the Share Consolidation becoming effective.

LETTER FROM THE BOARD

Subject to the granting of the listing of, and permission to deal in, the Consolidated Shares on the Stock Exchange, as well as compliance with the stock admission requirements of the HKSCC, the Consolidated Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Consolidated Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. All necessary arrangements will be made for the Consolidated Shares to be admitted into CCASS established and operated by HKSCC.

None of the Existing Shares are listed or dealt in on any other stock exchange other than the Stock Exchange, and at the time the Share Consolidation becomes effective, the Consolidated Shares in issue will not be listed or dealt in on any stock exchange other than the Stock Exchange, and no such listing or permission to deal is being or is proposed to be sought.

Adjustments in relation to other securities of the Company

As at the Latest Practicable Date, the Company has no other outstanding options, warrants or other securities in issue which are convertible into or giving rights to subscribe for, convert or exchange into, any Existing Shares or Consolidated Shares, as the case may be.

PROPOSED CHANGE IN BOARD LOT SIZE

As at the Latest Practicable Date, the Existing Shares are traded on the Stock Exchange in board lots of 10,000 Existing Shares of par value of HK\$0.01 each. It is proposed that, subject to and conditional upon the Share Consolidation becoming effective, the board lot size for trading on the Stock Exchange be changed from 10,000 Existing Shares of par value of HK\$0.01 each to 2,500 Consolidated Shares of par value of HK\$0.04 each.

Based on the closing price of HK\$0.39 per Existing Share as quoted on the Stock Exchange as at the Latest Practicable Date, the value of each board lot of 2,500 Consolidated Shares, assuming the Share Consolidation had already become effective, would be HK\$3,900.

LETTER FROM THE BOARD

REASONS FOR THE PROPOSED SHARE CONSOLIDATION AND CHANGE IN BOARD LOT SIZE

The proposed Share Consolidation will reduce the total number of Shares currently in issue. As such, it is expected that the Share Consolidation will bring about a corresponding upward adjustment in the trading price of the Shares. The average closing prices of the Existing Shares were around HK\$0.1 in the past one year. The Board considers that the Share Consolidation may make investing in the Consolidated Shares more attractive to a broader range of investors, in particular to institutional and professional investors whose internal policies may otherwise restrict trading in securities that are priced below a certain threshold, and therefore help broaden the shareholders' base of the Company. Accordingly, the Board is of the view that the Share Consolidation is beneficial to the Company, the Shareholders and the investors of the Company as a whole.

Save for the necessary professional expenses for the implementation of the Share Consolidation, the implementation of the Share Consolidation will not alter the underlying assets, business operation, management or financial position of the Company and the proportionate interests and rights of the Shareholders. Also, with the proposed Change in Board Lot Size taking place, the Share Consolidation will not result in the creation of any odd lots nor any change in the relative rights of the Shareholders.

The Board considers that the Share Consolidation is essential to achieve the above-mentioned purpose. Taking into account of the potential benefits and the insubstantial amount of costs to be incurred, the Board is of the view that the Share Consolidation and the Change in Board Lot Size and the transactions contemplated thereunder are in the best interest of the Company and the Shareholders as a whole.

As at the Latest Practicable Date, the Company has no intention to carry out other corporate actions in the next 12 months which may have an effect of undermining or negating the intended purpose of the Share Consolidation. At present, the Company is considering certain methods of fund raising activity for its business operation. However, as at the Latest Practicable Date, there is no concrete plan for any fund raising activity. The Company will update its Shareholders by way of announcement as and when required in accordance with the Listing Rules.

Fractional entitlement to Consolidated Shares

Fractional Consolidated Shares (if any) will be disregarded and will not be issued to the Shareholders but all such fractional Consolidated Shares will be aggregated and, if possible, sold for the benefit of the Company. Fractional Consolidated Shares will only arise in respect of the entire shareholding of a holder of the Existing Shares regardless of the number of share certificates held by such holder.

LETTER FROM THE BOARD

Exchange of certificates for Consolidated Shares

Subject to the Share Consolidation becoming effective, which is currently expected to be Tuesday, 6 July 2021, Shareholders may on or after Tuesday, 6 July 2021 and until Wednesday, 11 August 2021 (both days inclusive), submit their existing share certificates in blue colour for the Existing Shares 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 for exchange for share certificates in red colour for the Consolidated Shares at the expense of the Company.

It is expected that the new share certificates for the Consolidated Shares will be available for collection within 10 Business Days after submission of the existing share certificates to the Company's branch share registrar and transfer office in Hong Kong for exchange.

Shareholders should note that after the prescribed time for free exchange of share certificates, a fee of HK\$2.50 (or such higher amount as may from time to time be allowed by the Stock Exchange) will be payable by the Shareholders to the share registrar for exchange of share certificates.

After close of business on Monday, 9 August 2021, trading will only be in Consolidated Shares which share certificates will be issued in red colour. Existing share certificates in blue colour for the Existing Shares will cease to be valid for trading and settlement purpose, but will remain valid and effective as documents of title.

EGM

A notice convening the EGM to be held at 19/F., Win Plaza, 9 Sheung Hei Street, San Po Kong, Kowloon, Hong Kong on 2 July 2021 at 11:00 a.m. is set out on pages 12 to 13 of this circular.

ACTION TO BE TAKEN

A form of proxy for use at the EGM is enclosed with this circular and such form of proxy is also published on the websites of Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk and the Company at www.sterlingapparel.com.hk. Whether or not you are able to attend the EGM in person, you are requested to complete and sign the form of proxy in accordance with the instructions printed thereon and return it, together with the power of attorney or other authority (if any) under which it is signed or a certified copy of the power of attorney or authority, to the Company's Hong Kong branch share registrar and transfer office, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the EGM or any adjourned meeting thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjourned meeting thereof (as the case may be) should you so wish and in such event, your appointment of proxy under any proxy form shall be deemed to be revoked.

LETTER FROM THE BOARD

VOTING BY WAY OF POLL

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, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Accordingly, all the resolution(s) proposed at the EGM will be taken by way of poll.

On a poll, every Shareholder present in person or by proxy or, in the case of a Shareholder being a corporation, by its duly authorised representative, shall have one vote for every Share held which is fully paid or credited as fully paid.

After the conclusion of the EGM, the poll vote results will be published on the website of Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk and the website of the Company at www.sterlingapparel.com.hk.

RECOMMENDATION

The Directors consider that the proposed Share Consolidation is in the best interests of the Group and the Shareholders as a whole. Accordingly, the Directors recommend you to vote in favour of the ordinary resolution to be proposed at the EGM.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from 28 June 2021 to 2 July 2021 (both days inclusive), during which period no transfer of Shares of the Company will be registered. In order to qualify for attending and voting at the meeting, all transfers of Shares of the Company accompanied by the relevant share certificates and appropriate transfer forms must be lodged with the Company's Hong Kong branch share registrar and transfer office, 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 25 June 2021.

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, 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.

LETTER FROM THE BOARD

MISCELLANEOUS

This circular is in English and Chinese. In case of any inconsistency, the English version shall prevail.

Yours faithfully,
By order of the Board
Sterling Group Holdings Limited
Choi Siu Wai William
Chairman

NOTICE OF EXTRAORDINARY GENERAL MEETING

Sterling Group Holdings Limited 美臻集團控股有限公司*

(incorporated in the Cayman Islands with limited liability)
(Stock Code: 1825)

NOTICE IS HEREBY GIVEN THAT the extraordinary general meeting (the “**EGM**”) of shareholders of Sterling Group Holdings Limited (the “**Company**”) will be held at 19/F., Win Plaza, 9 Sheung Hei Street, San Po Kong, Kowloon, Hong Kong on 2 July 2021 at 11:00 a.m. for the purposes of considering and, if thought fit, passing the following resolution with or without amendments as an ordinary resolution of the Company:

ORDINARY RESOLUTION

“**THAT** subject to the fulfilment of all the conditions (the “**Conditions**”) set out in the section headed “Conditions of the Share Consolidation” in the circular of the Company dated 11 June 2021, a copy of which has been tabled at the EGM marked “A” and initialled by the chairman of the EGM for the purpose of identification, with effect from the second business day immediately following the date on which this resolution is passed or the Conditions are fulfilled (whichever is later):

- (a) every four (4) issued and unissued ordinary shares of par value of HK\$0.01 each in the share capital of the Company be and are hereby consolidated into one (1) consolidated share of par value of HK\$0.04 each (the “**Consolidated Shares**”) (the “**Share Consolidation**”), such Consolidated Share(s) shall rank *pari passu* in all respects with each other and have the rights and privileges and be subject to the restrictions in respect of the shares contained in the memorandum and articles of association of the Company;
- (b) all fractional entitlements to the issued Consolidated Shares resulting from the Share Consolidation (if any) will be disregarded and will not be issued to the shareholders of the Company but all such fractional Consolidated Shares will be aggregated and, if possible, sold and the net proceeds shall be retained for the benefit of the Company in such manner and on such terms as the directors of the Company (the “**Directors**”) may think fit; and

* For identification purpose only

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (c) any one of the Directors be and is hereby authorised to do all such acts and things and sign, execute and deliver all documents (including affixing the common seal of the Company if appropriate) he or she considers necessary, desirable or expedient to give effect to the Share Consolidation and the transactions contemplated thereunder.”

By Order of the Board
Sterling Group Holdings Limited
Choi Siu Wai William
Chairman

Hong Kong, 11 June 2021

Registered Office:

2nd Floor, Century Yard
Cricket Square
P.O. Box 902
Grand Cayman KY1-1103
Cayman Islands

*Headquarters and principal of
business in Hong Kong:*

18–19/F, Win Plaza
9 Sheung Hei Street
San Po Kong
Kowloon
Hong Kong

Notes:

1. Any member of the Company entitled to attend and vote at the above meeting may appoint another person as his proxy to attend and to vote instead of him. A proxy need not be a member of the Company.
2. All resolution(s) at the EGM will be taken by way of poll pursuant to the Listing Rules and the results of the poll will be published on the websites of Hong Kong Exchanges and Clearing Limited and the Company in accordance with the Listing Rules.
3. Where there are joint registered holders of any share of the Company, any one of such persons may vote at the meeting, either personally or by proxy, in respect of such share as if he were solely entitled thereto; but if more than one of such joint holders be present at the meeting, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.
4. In order to be valid, the form of proxy duly completed and signed in accordance with the instructions printed thereon together with the power of attorney or other authority, if any, under which it is signed or a certified copy thereof must be delivered to the office of the Company's Hong Kong branch share registrar and transfer office, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof. Delivery of the form of proxy shall not preclude a member from attending and voting in person at the EGM and in such event, the form of proxy shall be deemed to be revoked.
5. A form of proxy for use at the meeting is being despatched to the shareholders of the Company together with a copy of this notice.
6. The register of members of the Company will be closed from 28 June 2021 to 2 July 2021 (both days inclusive), during which period no transfer of shares of the Company will be registered. In order to qualify for attending and voting at the meeting, all transfers of shares of the Company accompanied by the relevant share certificates and appropriate transfer forms must be lodged with the Company's Hong Kong branch share registrar and transfer office, 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 25 June 2021.