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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)

PROFIT WARNING

This announcement is made by Sterling Group Holdings Limited (the “**Company**”, together with its subsidiaries as the “**Group**”) pursuant to Rule 13.09(1) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provision (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors (the “**Board**”) of the Company wishes to inform its shareholders and potential investors that, based on its preliminary review of the Group’s unaudited consolidated management accounts for the six months ended 30 September 2023 (the “**Period**”), the Group anticipates to record a net loss of not less than HK\$7 million for the Period. Before recording an expected credit loss recognised on trade and other receivables (“**ECL**”) of approximately HK\$15 million, the Group expects to record a net profit of about HK\$8 million for the Period as compared to the net profit of approximately HK\$11.3 million for the six months ended 30 September 2022.

The net loss of the Group for the Period was principally due to: (i) the provision of ECL of approximately HK\$15 million for one of the Group’s trade debtors from the United States of America (the “**U.S. Customer**”). On 28 June 2023, the U.S. Customer filed voluntary petitions for relief under Chapter 11 of the United States Bankruptcy code, further details of which are set out in the Company’s inside information announcement dated 4 July 2023; and (ii) slight decrease in revenue and higher finance costs during the Period.

As at the date of this announcement, the Company is still in the process of finalising the unaudited consolidated interim results of the Group for the Period. The information in this announcement is only based on a preliminary assessment by the Board of the latest unaudited consolidated management accounts of the Group and the information currently available to the Board, which have not been confirmed or finalised by the audit committee of the Board and may therefore be subject to revisions and adjustments.

Shareholders and potential investors are advised to read carefully the unaudited financial information of the Group for the Period in the interim results announcement of the Company, which is expected to be published by the end of November 2023 in accordance with the Listing Rules.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

By order of the Board
Sterling Group Holdings Limited
美臻集團控股有限公司*
Wong Mei Wai Alice
Executive Director and Chief Executive Officer

Hong Kong, 22 November 2023

As at the date of this announcement, Ms. Wong Mei Wai Alice is the executive Director and Chairperson, Mr. Siu Yik Ming and Mr. Chung Sam Kwok Wai are the executive Directors, and Mr. Tsang Ho Yin, Ms. Zhang Lingling and Mr. Choi Wai Hin are the independent non-executive Directors.

* *For identification purpose only*