
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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 GENERAL MANDATES
TO ISSUE AND REPURCHASE SHARES,
PROPOSED RE-ELECTION OF RETIRING DIRECTORS
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the annual general meeting of Sterling Group Holdings Limited to be held at 20/F., Win Plaza, 9 Sheung Hei Street, San Po Kong, Kowloon, Hong Kong on 18 September 2020 at 11:00 a.m. is set out on pages 16 to 19 of this circular. A form of proxy for use at the annual 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, 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.

PRECAUTIONARY MEASURES FOR ANNUAL 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 annual 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 annual general meeting. The Company reserves the right to deny admission to the annual general meeting venue if any person does not comply with the precautionary measures to be taken at the annual general meeting or such person is subject to any HKSAR Government prescribed quarantine.

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DEFINITIONS

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

“AGM”	the annual general meeting of the Company to be held at 20/F., Win Plaza, 9 Sheung Hei Street, San Po Kong, Kowloon, Hong Kong on 18 September 2020 at 11:00 a.m., the notice of which is set out on pages 16 to 19 of this circular, or any adjourned meeting thereof;
“Articles of Association”	the articles of association of the Company as amended and restated, supplemented or modified from time to time;
“associate(s)”	has the meaning ascribed to it under the Listing Rules;
“Board”	the board of Directors;
“close associate(s)”	has the same meaning ascribed to it under the Listing Rules;
“Company”	Sterling Group Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the main board of the Stock Exchange (stock code: 1825);
“connected person(s)”	has the meaning ascribed to it under the Listing Rules;
“Controlling Shareholder”	has the meaning ascribed to it under the Listing Rules;
“core connected person(s)”	has the meaning ascribed to it under the Listing Rules;
“Director(s)”	director(s) of the Company;
“Group”	the Company and its subsidiaries from time to time;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Issue Mandate”	a general mandate proposed to be granted to the Directors at the AGM to allot, issue and deal with additional Shares of up to 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of the relevant resolution granting such mandate;

DEFINITIONS

“Latest Practicable Date”	23 July 2020, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information in this circular;
“Listing Date”	19 October 2018, the date on which the issued Shares were initially listed;
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
“Repurchase Mandate”	a general mandate proposed to be granted to the Directors at the AGM to repurchase Shares not exceeding 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of the relevant resolution granting such mandate;
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company;
“Shareholder(s)”	the holder(s) of Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Takeovers Code”	The Codes on Takeovers and Mergers and Share Buy-backs issued by the Securities and Futures Commission in Hong Kong;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong; and
“%”	per cent.

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

30 July 2020

To the Shareholders

Dear Sir or Madam,

**PROPOSED GENERAL MANDATES
TO ISSUE AND REPURCHASE SHARES,
PROPOSED RE-ELECTION OF RETIRING DIRECTORS
AND
NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to provide you with information regarding the resolutions to be proposed at the AGM for: (i) the granting of the Issue Mandate and the Repurchase Mandate; (ii) the extension of the Issue Mandate by adding to it the aggregate nominal amount of the issued Shares repurchased by the Company under the Repurchase Mandate; and (iii) the re-election of the retiring Directors.

* *For identification purpose only*

LETTER FROM THE BOARD

GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES

The existing general mandates to issue and repurchase Shares will expire at the conclusion of the AGM. Accordingly, the following ordinary resolutions will be proposed at the AGM to seek the approval from Shareholders for the granting to the Directors of general mandates authorising them to:

- (i) exercise the powers of the Company to allot, issue and otherwise deal with new Shares with an aggregate nominal amount not exceeding 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of such resolution;
- (ii) repurchase Shares on the Stock Exchange with an aggregate nominal amount not exceeding 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of such resolution; and
- (iii) subject to the passing of the ordinary resolutions to approve the Issue Mandate and the Repurchase Mandate at the AGM, extend the Issue Mandate by an amount representing the aggregate nominal amount of Shares repurchased under the Repurchase Mandate.

As at the Latest Practicable Date, the Directors have not exercised the existing general mandates to issue and repurchase Shares and the Company had 800,000,000 Shares in issue.

Subject to the passing of the ordinary resolutions to approve the Issue Mandate and the Repurchase Mandate at the AGM and on the basis that no further Shares are issued or repurchased between the Latest Practicable Date and the date of the AGM, the Company would be allowed to issue up to a maximum of 160,000,000 new Shares under the Issue Mandate and to repurchase up to a maximum of 80,000,000 Shares under the Repurchase Mandate.

The Issue Mandate and the Repurchase Mandate, if approved by the Shareholders at the AGM, will continue until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association or any applicable laws of the Cayman Islands to be held; and
- (iii) the revocation or variation of such authority by ordinary resolution of the Shareholders in general meeting.

LETTER FROM THE BOARD

With reference to the Issue Mandate and the Repurchase Mandate, the Directors wish to state that they have no immediate plan to issue any new Shares or repurchase any Shares pursuant thereto. The Directors will not exercise the Repurchase Mandate to such an extent that the public holding of Shares would be reduced below 25% of the issued share capital of the Company.

The explanatory statement providing the requisite information regarding the Repurchase Mandate as required to be sent to the Shareholders under the Listing Rules is set out in the appendix to this circular.

RE-ELECTION OF RETIRING DIRECTORS

In accordance with the article 84 of the Articles of Association of the Company (the “Articles”), Ms. Wong Mei Wai Alice, Mr. Siu Ming and Mr. Chung Sam Kwok Wai will retire from office by rotation and, being eligible, offer themselves for re-election at the AGM. The Nomination Committee, having reviewed the Board’s composition, nominated Ms. Wong Mei Wai Alice, Mr. Siu Ming and Mr. Chung Sam Kwok Wai to the Board for it to recommend to Shareholders for re-election at the AGM. Ms. Wong Mei Wai Alice who is a member of the Nomination Committee, abstained from voting on her nomination when it was being considered. Details of the above Directors who are required to be disclosed under the Listing Rules are set out in Appendix II of this circular.

The Nomination was made in accordance with the Nomination Policy and took into account the diversity aspects (including without limitation, gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service), with due regard for the benefits of diversity. The Nomination Policy and the Board Diversity Policy are available under the Corporate Governance section of the Group’s annual report. The Nomination Committee also took into account the different expertise, background, experience, skills and knowledge of each Director and believes each of them would provide related valuable advice to the business development and their reelection can enhance the diversity of the Board.

The Nomination Committee was satisfied with the independence of each independent non-executive Director with reference to the criteria as set out in Rule 3.13 of the Listing Rules. All of our Independent Non-executive Directors provide valuable contributions and insights to the Board. Each of the Independent Non-executive Directors has submitted to the Hong Kong Stock Exchange a written confirmation concerning his independence to the Company and has also given to the Company an annual confirmation of his independence. Having regard to the confirmations as well as the actual contributions that each of the Independent Non-executive Directors has made, the Board concluded that each of the Independent Non-executive Directors to be independent.

LETTER FROM THE BOARD

On 29 June 2020, the Board accepted the Nomination Committee's nomination and recommended Ms. Wong Mei Wai Alice, Mr. Siu Ming and Mr. Chung Sam Kwok Wai to stand for re-election as Directors by Shareholders at the AGM. The Board considers that the re-election of each of them is in the best interest of the Company and Shareholders as a whole. The director is abstained from the discussion and voting at the Board meeting regarding his or her nomination.

AGM

A notice convening the AGM to be held at 20/F., Win Plaza, 9 Sheung Hei Street, San Po Kong, Kowloon, Hong Kong on 18 September 2020 at 11:00 a.m. is set out on pages 16 to 19 of this circular.

ACTION TO BE TAKEN

A form of proxy for use at the AGM 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 AGM 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, 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 AGM 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 AGM 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.

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 resolutions proposed at the AGM 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 AGM, 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.

LETTER FROM THE BOARD

RECOMMENDATION

The Directors consider that the granting of the Issue Mandate and the Repurchase Mandate, the extension of the Issue Mandate and the proposed re-election of the retiring Directors are in the best interests of the Group and the Shareholders as a whole. Accordingly, the Directors recommend you to vote in favour of all the resolutions to be proposed at the AGM.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from 15 September 2020 to 18 September 2020 (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, 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 14 September 2020.

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.

GENERAL INFORMATION

Your attention is also drawn to the additional information set out in the appendix to this circular.

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

APPENDIX I EXPLANATORY STATEMENT FOR THE REPURCHASE MANDATE

The following is the explanatory statement as required by the Listing Rules to be provided to the Shareholders concerning the Repurchase Mandate proposed to be granted to the Directors at the AGM.

LISTING RULES FOR REPURCHASES OF SHARES

The Listing Rules permit companies with a primary listing on the Stock Exchange to repurchase their shares on the Stock Exchange subject to certain restrictions.

The Listing Rules provide that all proposed repurchases of shares by a company with a primary listing on the Stock Exchange must be approved by shareholders in advance by an ordinary resolution in a general meeting, either by way of a general mandate or by a specific approval of a particular transaction and that the shares to be repurchased must be fully paid up.

SHARE CAPITAL

As at the Latest Practicable Date, the authorised share capital of the Company was 10,000,000,000 Shares, of which a total of 800,000,000 Shares were issued and fully paid.

Subject to the passing of the proposed ordinary resolution to approve the Repurchase Mandate and on the basis that no further Shares are issued or repurchased between the Latest Practicable Date and the date of the AGM, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 80,000,000 Shares during the period from the date of the AGM up to (i) the conclusion of the next annual general meeting of the Company; (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association or any applicable laws of the Cayman Islands to be held; or (iii) the revocation or variation of such authority by ordinary resolution of the Shareholders in general meeting, whichever occurs first.

REASONS FOR REPURCHASE

The Directors believe that it is in the best interests of the Company and the Shareholders as a whole for the Directors to have a general authority from the Shareholders to enable the Directors to repurchase Shares on the market. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value of the Company and its assets and/or its earnings per Share and will only be made when the Directors believe that such repurchases will benefit the Company and the Shareholders as a whole.

FUNDING AND IMPACT OF REPURCHASE

Any repurchase of Shares will be made out of funds which are legally available for the purpose in accordance with the Articles of Association and the Companies Law of the Cayman Islands. A listed company may not repurchase its own securities on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading

APPENDIX I EXPLANATORY STATEMENT FOR THE REPURCHASE MANDATE

rules of the Stock Exchange. Subject to the foregoing, any repurchases by the Company may be made out of profits of the Company, out of the Company's share premium account, out of proceeds of a new issue of Shares made for the purpose of the repurchase or, if authorised by the Articles of Association and subject to the Companies Law of the Cayman Islands, out of capital. Any amount of premium payable on the purchase over the par value of the Shares to be repurchased must be paid out of profits of the Company or from sums standing to the credit of the Company's share premium account or, if authorised by the Articles of Association and subject to the Companies Law of the Cayman Islands, out of capital.

As compared with the financial position of the Company as at 31 March 2020 (being the date to which the latest audited accounts of the Company were made up), the Directors consider that there might be a material adverse impact on the working capital or the gearing position of the Company in the event that the Repurchase Mandate was to be exercised in full during the proposed repurchase period. The Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

DIRECTORS, THEIR CLOSE ASSOCIATES AND CORE CONNECTED PERSONS

None of the Directors nor, to the best of the knowledge and belief of the Directors, having made all reasonable enquiries, any of their respective close associates (as defined in the Listing Rules) has any present intention, in the event that the Repurchase Mandate is approved by the Shareholders, to sell Shares to the Company. No core connected person (as defined in the Listing Rules) of the Company has notified the Company that he/she/it has a present intention to sell Shares to the Company nor has he/she/it undertaken not to sell any of the Shares held by him/her/it to the Company in the event that the Repurchase Mandate is approved by the Shareholders.

UNDERTAKING OF THE DIRECTORS

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate in accordance with the Listing Rules, the applicable laws of the Cayman Islands and the Articles of Association.

EFFECT OF THE TAKEOVERS CODE

If a Shareholder's proportionate interest in the voting rights of the Company increases as a result of the Directors' exercising the powers of the Company to repurchase Shares pursuant to the Repurchase Mandate, such increase will be treated as an acquisition of voting rights for the purposes of Rule 32 of the Takeovers Code and, if such increase results in a change of control, may in certain circumstances give rise to an obligation to make a mandatory offer for Shares under Rule 26 of the Takeovers Code.

APPENDIX I EXPLANATORY STATEMENT FOR THE REPURCHASE MANDATE

As at the Latest Practicable Date, Moonlight Global Holdings Limited (“**Moonlight**”) and Rainbow Galaxy Limited (“**Rainbow Galaxy**”) were interested in 300,000,000 Shares, and 272,000,000 Shares respectively, representing approximately 37.5% and 34.0% of the total issued Shares of the Company. Rainbow Galaxy is ultimately wholly owned by two revocable family trusts both of which Mr. Choi Siu Wai William is the settlor. The issued share capital of Moonlight is wholly owned by Mr. Siu Chi Wai. Mr. Siu Chi Wai is deemed to be interested in the Shares in which Moonlight is interested in under Part XV of the SFO. On the basis that there will be no further issue or repurchase of Shares during the period from the Latest Practicable Date up to and including the date of the Annual General Meeting, the beneficial interests of Moonlight and Rainbow Galaxy in the issued Shares of the Company would increase to approximately 41.6% and 37.8% respectively if the Repurchase Mandate were exercised in full.

The Directors are not aware of any consequence under the Takeovers Code as a result of a repurchase of Shares made under the Repurchase Mandate and have no present intention to exercise the power to repurchase Shares pursuant to the Repurchase Mandate to such an extent as to result in takeover obligations.

The Directors will not exercise the Repurchase Mandate if the repurchase would result in the number of Shares which are in the hands of the public falling below 25% of the total number of Shares in issue (or such other percentage as may prescribed as the minimum public shareholding under the Listing Rules).

SHARE REPURCHASE MADE BY THE COMPANY

No repurchase of Shares has been made by the Company (whether on the Stock Exchange or otherwise) during the six months immediately prior to the Latest Practicable Date.

SHARE PRICES

The Shares are trading on the Stock Exchange and the highest and lowest prices at which the Shares have been traded on the Stock Exchange since the Listing Date and up to the Latest Practicable Date are as follows:

	Per Share	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2019		
July	0.180	0.140
August	0.159	0.109
September	0.173	0.115
October	0.136	0.120
November	0.193	0.115
December	0.137	0.121
2020		
January	0.131	0.100
February	0.176	0.104
March	0.123	0.096
April	0.119	0.096
May	0.106	0.065
June	0.070	0.052
July (up to and including the Latest Practicable Date)	0.068	0.056

Source: quoted prices from the Stock Exchange's website (www.hkex.com.hk)

APPENDIX II DETAILS OF DIRECTORS PROPOSED TO BE RE-ELECTED

Save for the information disclosed in this circular and set out in Explanatory Notes, as at the latest practicable date, there is no other information that need to be disclosed pursuant to any of the requirements under paragraphs 13.51(2)(h) to 13.51(2)(v) of the Listing Rules nor are there other matters that need to be brought to the attention of Shareholders in respect of the Directors who stand for re-election at the AGM.

MS. WONG MEI WAI ALICE

Ms. Wong Mei Wai Alice (王美慧), aged 63, is pivotal in developing the company's business since early 1990's and has been the Chief Executive Officer of Sterling Apparel Limited ("**Sterling Apparel**"), the wholly-owned operating subsidiary of the Company, since November 2012. She was further appointed as an executive Director of the Group on 6 June 2017. She is also a member of our Remuneration Committee and Nomination Committee of the Company. Ms. Alice Wong is primarily responsible for implementing corporate strategy, business development, product development, managing key client relationship and overall corporate performance. Ms. Alice Wong is the spouse of Mr. Siu Chi Wai ("**CW Siu**"), a Controlling Shareholder of the Company, and the mother of Mr. Siu Yik Ming ("**YM Siu**"), an executive Director of the Group.

Ms. Alice Wong has accumulated more than twenty-six years of experience in the apparel industry. She was the general manager of Sterling Possessions (H. K.) Limited ("**SPHK**") from 1 July 1994 to 31 October 2012, which was the predecessor company of Sterling Apparel.

Ms. Alice Wong was adjudged bankrupt in Hong Kong on 18 December 1992 and was subsequently discharged from bankruptcy on 1 April 1999. Having regard to the fact that (i) the discharge of Ms. Alice Wong's bankruptcy was in 1999; (ii) our Directors were not aware that her bankruptcy resulted from or was related to dishonesty or any integrity issue; (iii) Ms. Alice Wong's contribution to the success of the Group, our Directors believe that Ms. Alice Wong has the character, experience and integrity to act as our Director and will be able to demonstrate a standard of competence commensurate with her position as a director of a listed issuer as required under the Listing Rules.

Ms. Wong Mei Wai Alice is deemed to be interested in 300,000,000 Shares in which Mr. Siu Chi Wai ("**CW Siu**") (her spouse) is interested in under Part XV of the SFO. Moonlight Global Holdings Limited ("**Moonlight**"), a controlled corporation of the Company, is wholly owned by Mr. Siu Chi Wai. Moonlight is the beneficial owner of 37.5% of Shareholding of the Company.

Save as disclosed above, as at the Latest Practicable Date, Ms. Alice Wong (i) had no other interests in our Shares within the meaning of Part XV of the SFO; (ii) did not have any other relationship with any Directors, senior management of the Company, substantial shareholders or Controlling Shareholders and (iii) did not hold any other directorship in any other public companies, the securities of which were listed on any securities market in Hong Kong or overseas in the last three years.

APPENDIX II DETAILS OF DIRECTORS PROPOSED TO BE RE-ELECTED

Ms. Wong has entered into a service contract with a wholly owned subsidiary of the Company and there is no specified or proposed length of service. The service contract may be terminated by either party by giving to other party not less than three months' notice without payment of any compensation (other than statutory compensation). In addition, she is also entitled to receive a director fee under her service contract with the Company for a term of three years. The service contract will continue thereafter until terminated by either party by giving to other party not less than three month's notice. However, she is also subject to retirement by rotation and re-election at the annual general meetings of the Company in accordance with the Articles. For the year ended 31 March 2020, she received a Director's fee of HK\$201,660 and other emolument of approximately HK\$3,526,000. The emoluments of Directors are determined by reference to the Company's performance and profitability, as well as remuneration benchmark in the industry and the prevailing market conditions.

MR. SIU YIK MING (“YM SIU”)

Mr. Siu Yik Ming (蕭翊銘), aged 34, was appointed as a director of Zhi Wei (Guangzhou) Garment Manufacturing Co., Limited (“**Zhi Wei**”), a wholly owned Subsidiary of the Company, on 14 July 2017 and was further appointed as an executive Director of the Group on 31 July 2017. Mr. YM Siu has been the director of the Katunayake Factory and the Meegoda Factory in Sri Lanka for almost three years prior to them being acquired by the Group in 2017. He is now responsible for the management of the Group's manufacturing facilities in Sri Lanka and the PRC.

Mr. YM Siu is the son of Mr. CW Siu, a Controlling Shareholder of the Company and Ms. Alice Wong, an executive Director of the Group.

Mr. YM Siu graduated from the Curtin University of Technology in Australia with a bachelor's degree in commerce in August 2009.

Mr. YM Siu was previously a director of the following company prior to its dissolution:

Company name	Place of incorporation or establishment	Principal business activity immediately prior to its dissolution	Date of dissolution	Details
D.A.S. Enterprise Limited (騰達企業有限公司)	HK	Trading of mobile phone accessories	3 January 2014	It was de-registered under section 291AA of the Predecessor Companies Ordinance due to cessation of business. Accordingly, it was dissolved upon de-registration. (<i>Note</i>)

APPENDIX II DETAILS OF DIRECTORS PROPOSED TO BE RE-ELECTED

Note: Under section 291AA of the Predecessor Companies Ordinance (Chapter 32), an application for de-registration can only be made if (a) all the members of such company agreed to such de-registration; (b) such company has never commenced business or operation, or has ceased to carry on business or ceased operation for more than three months immediately before the application; and (c) such company has no outstanding liabilities.

Mr. YM Siu confirmed that (i) there is no wrongful act on his part leading to the dissolution of the above company; (ii) he is not aware of any actual or potential claim that has been or will be made against him as a result of the dissolution of the above company; and (iii) the above company was solvent at the time of its dissolution.

Save as disclosed above, as at the Latest Practicable Date, Mr. YM Siu (i) had no interest in our Shares within the meaning of Part XV of the SFO; (ii) did not have any other relationship with any Directors, senior management of the Company, substantial shareholders or Controlling Shareholders and (iii) did not hold any other directorship in any other public companies, the securities of which were listed on any securities market in Hong Kong or overseas in the last three years.

Mr. YM Siu has entered into a service contract with a wholly owned subsidiary of the Company and there is no specified or proposed length of service. The service contract may be terminated by either party by giving to other party not less than three months' notice without payment of any compensation (other than statutory compensation). In addition, he is also entitled to receive a director fee under his service contract with the Company for a term of three years. The service contract will continue thereafter until terminated by either party by giving to other party not less than three month's notice. However, he is also subject to retirement by rotation and re-election at the annual general meetings of the Company in accordance with the Articles. For the year ended 31 March 2020, he received a Director's fee of HK\$201,660 and other emolument of approximately HK\$1,135,000. The emoluments of Directors are determined by reference to the Company's performance and profitability, as well as remuneration benchmark in the industry and the prevailing market conditions.

MR. CHUNG SAM KWOK WAI

Mr. Chung Sam Kwok Wai (鍾國偉), aged 65, was appointed as a director of Elegant Maker Limited, a wholly owned Subsidiary of the Company, on 23 November 2016, and was further appointed as an executive Director of the Group on 31 July 2017. Mr. Chung has been the chief financial officer of Sterling Apparel since December 2013. Mr. Chung is responsible for monitoring the overall management and the finance operation of the Group. In addition, he is also appointed as Chief Operating Officer of the Group with effect from 1 February 2020.

Mr. Chung graduated from the University of British Columbia in Canada with a master of business administration in November 1982 and the Simon Fraser University in Canada with a bachelor of arts in June 1980. He obtained the qualification of Certified General Accountant of Canada in June 1984 (now re-designated as Chartered Professional Accountant of Canada). Mr. Chung has accumulated more than twenty-five years of experience in senior finance and operations roles in a number of industries in Hong Kong, U.S. and Canada, which include: (i)

APPENDIX II DETAILS OF DIRECTORS PROPOSED TO BE RE-ELECTED

CFO of M&V International Manufacturing (HK) Limited, a knitwear manufacturer, from May 2010 to May 2012; (ii) CFO of Singpoli Pacifica LLC, a California real estate developer, from January 2009 to December 2009; (iii) CFO & Director of Yangtze Telecom Corp., a Canadian public company in telecom value-added services in China, from February 2004 to November 2008; (iv) President of EAS International (USA) Inc., an international freight forwarder, from June 1996 to May 2001; (v) President of Manchu NY Inc. from September 1994 to June 1996 and VP Finance/Administration of Manchu Inc., a garment trading and manufacturing company, from September 1989 to September 1994.

Save as disclosed above, as at the Latest Practicable Date, Mr. Chung (i) had no interests in our Shares within the meaning of Part XV of the SFO; (ii) did not have any other relationship with any Directors, senior management of the Company, substantial shareholders or Controlling Shareholders; and (iii) did not hold any other directorship in any other public companies, the securities of which were listed on any securities market in Hong Kong or overseas in the last three years.

Mr. Chung has entered into a service contract with a wholly owned subsidiary of the Company and there is no specified or proposed length of service. The service contract may be terminated by either party by giving to other party not less than three months' notice without payment of any compensation (other than statutory compensation). In addition, he is also entitled to receive a director fee under his service contract with the Company for a term of three years. The service contract will continue thereafter until terminated by either party by giving to other party not less than three month's notice. However, he is also subject to retirement by rotation and re-election at the annual general meetings of the Company in accordance with the Articles. For the year ended 31 March 2020, she received a Director's fee of HK\$201,660 and other emolument of approximately HK\$2,160,000. The emoluments of Directors are determined by reference to the Company's performance and profitability, as well as remuneration benchmark in the industry and the prevailing market conditions.

NOTICE OF ANNUAL 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 annual general meeting of shareholders of Sterling Group Holdings Limited (the “**Company**”) will be held at 20/F., Win Plaza, 9 Sheung Hei Street, San Po Kong, Kowloon, Hong Kong on 18 September 2020 at 11:00 a.m. for the following purposes:

1. To receive and approve the audited consolidated financial statements and the directors’ report of the Company and the independent auditor’s report for the year ended 31 March 2020.
2. To re-appoint Messrs BDO Limited as auditors of the Company and to authorise the board of directors of the Company to determine their remuneration for the year ending 31 March 2021.
3.
 - A. To re-elect Ms. Wong Mei Wai Alice as an executive director of the Company.
 - B. To re-elect Mr. Siu Yik Ming as an executive director of the Company.
 - C. To re-elect Mr. Chung Sam Kwok Wai as an executive director of the Company.
4. To consider and, if thought fit, pass with or without amendments, the following resolutions as an ordinary resolution:

“THAT:

- (a) subject to paragraph 4(c) below, the exercise by the directors of the Company (the “**Directors**”) during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with unissued shares in the capital of the Company and to make or grant offers, agreements and options (including warrants, bonds and debentures convertible into shares of the Company) which might require the exercise of such powers, subject to and in accordance with all applicable laws and the articles of association of the Company, be and is hereby generally and unconditionally approved;
- (b) the Directors be and are hereby authorised during the Relevant Period to make or grant offers, agreements and options (including warrants, bonds and debentures convertible into shares of the Company) which might require the exercise of such powers after the end of the Relevant Period;

* For identification purpose only

NOTICE OF ANNUAL GENERAL MEETING

(c) the aggregate nominal amount of the share capital of the Company allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and issued by the Directors pursuant to the approval in paragraphs 4(a) and 4(b) above, otherwise than pursuant to a Rights Issue (as hereinafter defined) or pursuant to the exercise of any options granted under the share option scheme adopted by the Company or an issue of shares upon the exercise of subscription or conversion rights attached to the warrants or the convertible securities which might be issued by the Company or an issue of shares in lieu of the whole or part of a dividend on shares or any scrip dividend scheme or similar arrangement in accordance with the articles of association of the Company, shall not exceed 20% of the aggregate nominal amount of the share capital of the Company in issue on the date of the passing of this resolution, and the said approval shall be limited accordingly; and

(d) for the purposes of this resolution:

“Relevant Period” means the period from the date of the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable laws of the Cayman Islands to be held; and
- (iii) the revocation or variation of such authority by an ordinary resolution of the shareholders of the Company in general meeting.

“Rights Issue” means an offer of shares open for a period fixed by the Directors to holders of shares whose names stand on the register of members of the Company on a fixed record date in proportion to their then holdings of such shares (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of any relevant jurisdiction, or the requirements of any recognised regulatory body or any stock exchange).”

5. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“**THAT:**

- (a) subject to paragraph 5(b) below, the exercise by the Directors during the Relevant Period (as defined in paragraph 4(d) above) of all the powers of the Company to repurchase issued shares in the capital of the Company on The Stock

NOTICE OF ANNUAL GENERAL MEETING

Exchange of Hong Kong Limited (the “**Stock Exchange**”) or any other stock exchange on which the securities of the Company may be listed and recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) or any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;

- (b) the aggregate nominal amount of the share capital of the Company which the Directors are authorised to repurchase pursuant to the approval in paragraphs 5(a) above shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company on the date of the passing of this resolution, and the said approval shall be limited accordingly.”
6. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“**THAT** conditional upon the passing of the ordinary resolutions numbered 4 and 5 as set out above, the aggregate nominal amount of the shares in the issued capital of the Company which are repurchased by the Company under the authority granted to the directors of the Company pursuant to and in accordance with the said resolution numbered 5 shall be added to the aggregate nominal amount of the share capital of the Company that may be allotted, issued or dealt with or agreed conditionally or unconditionally to be allotted, issued or dealt with by the directors of the Company pursuant to and in accordance with the said resolution numbered 4.”

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

Hong Kong, 30 July 2020

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 resolutions at the annual general meeting 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 personally or by proxy, that one of the said persons so present whose name stands first on the register of members of the Company in respect of such share shall alone be entitled to vote in respect thereof. The vote of the senior who tenders a vote, whether in person or by proxy,

NOTICE OF ANNUAL GENERAL MEETING

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, 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.
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 15 September 2020 to 18 September 2020 (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, 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 14 September 2020.