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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)

VOLUNTARY ANNOUNCEMENT – BUSINESS UPDATE

This is a voluntary announcement made by Sterling Group Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”).

The board (the “**Board**”) of directors (the “**Directors**”) of the Company is pleased to announce that Sterling Apparel Limited, an indirect wholly-owned subsidiary of the Company, has officially launched the American premium lifestyle apparel brand, JP by J. Peterman, as an extension of the J. Peterman brand it already owns. The new sub-brand, marketed primarily online through internet, website, social media channels or key opinion leaders, is curated for a younger customer base, who wants to escape from fast fashion, and desires more individuality, style and quality in their daily wardrobe.

REASONS AND BENEFITS OF LAUNCHING JP BY J. PETERMAN IN ASIA

As an OEM apparel manufacturer making and sourcing a wide range of products, the Company believes that developing our own apparel brand, JP by J. Peterman, in the Asia market now is a sound diversification strategy to reduce our reliance on the American apparel retail market. The reasons and benefits the Company sees are as follows:

- a. Retail online sales have grown remarkably in the post-coronavirus pandemic (“**COVID-19**”) world both in China and the United States of America. Launching JP by J. Peterman through digital channels take advantage of this growing trend. Eschewing the rollout of physical stores considerably reduces investment outlay and risks.
- b. Consumers are showing signs of fatigue with fast fashion. J. Peterman, a 30-year old brand synonymous with American classic apparels, caters to a more mature market segment. The Company sees an opportunity to create a sub-brand targeting the younger generation who may welcome more sustainable choices in their clothing beyond the massive production, fast changing trend and low quality materials.

- c. The Company, in serving its international brand customers, already has an existing full complement of staff in design, technical and quality assurance, sample and product development, fabric sourcing, in-house manufacturing and outsourcing. Our incremental effort in launching a brand is considerably less than if we had to start from ground up.
- d. The potential for long term sales growth is significant for such a large rising consumer market in China. This will be a very meaningful diversification in the source of revenue for the Company.

INFORMATION ON THE GROUP

The Group is an apparel manufacturer headquartered in Hong Kong providing a one-stop apparel manufacturing solution for its customers. The Group manufactures a wide range of apparel products such as outerwear, bottoms, tops and other products. The majority of the customers are international apparel brands that are headquartered in the U.S. and certain European countries such as the U.K. with their products sold around the world. In particular, the Group has established a long standing relationship with its largest customer who is an international apparel brand headquartered in the U.S. since the 1990s. In recent years, the Group has actively diversified its customer base and product portfolio.

Shareholders of the Company and potential investors 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*
Choi Siu Wai William
Chairman

Hong Kong, 8 June 2021

As at the date of this announcement, Ms. Wong Mei Wai Alice, Mr. Siu Yik Ming and Mr. Chung Sam Kwok Wai are the executive Directors, Mr. Choi Siu Wai William is the non-executive Director and Chairman, and Mr. Chan Kee Huen Michael, Mr. Cheng King Hoi Andrew and Mr. Ko Ming Tung Edward are the independent non-executive Directors.

* *For identification purposes only*