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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)

POSITIVE PROFIT ALERT

This announcement is made by Sterling Group Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2)(a) 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 (the “**Board**”) of directors (the “**Directors**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on the preliminary assessment of the latest available unaudited consolidated management accounts of the Group for the six months ended 30 September 2022 (the “**Period**”) and the information currently available to the Board, the unaudited profit for the Period is expected to increase to approximately HK\$10 million as compared to approximately HK\$0.3 million for the corresponding period in 2021.

The improvement in the Group’s operating results was primarily a result of:

- (1) an increase in sales of the Group to approximately HK\$337 million for the six months ended 30 September 2022 as compared to approximately HK\$246 million for the corresponding period in 2021; and
- (2) a decrease in manufacturing overheads at the Group’s factories in China and Sri Lanka while overhead cost in the Hong Kong office remained largely unchanged despite an increase in sales of approximately 37%.

As at the date of this announcement, the Company is still in the process of finalizing 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 2022 in accordance with the Listing Rules.

Shareholders 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*

Wong Mei Wai Alice

Chairperson, Executive Director and Chief Executive Officer

Hong Kong, 21 October 2022

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 purposes only*