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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 AND  
CHANGE IN BOARD LOT SIZE**

**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. As at the date of this announcement, 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 date of this announcement 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.

**PROPOSED CHANGE IN BOARD LOT SIZE**

As at the date of this announcement, 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 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\$0.35 per Existing Share as quoted on the Stock Exchange as at the date of this announcement, the value of each board lot of 2,500 Consolidated Shares, assuming the Share Consolidation had already become effective, would be HK\$3,500.

**GENERAL**

The EGM will be convened and held for the Shareholders to consider and, if thought fit, to approve the Share Consolidation. A circular containing, among other things, further details of the proposed Share Consolidation, the proposed Change in Board Lot Size and the notice convening the EGM is expected to be despatched by the Company to the Shareholders on or before 11 June 2021.

## **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 date of this announcement, 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 date of this announcement 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.

### **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.

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 date of this announcement, 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 date of this announcement, 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\$0.35 per Existing Share as quoted on the Stock Exchange as at the date of this announcement, the value of each board lot of 2,500 Consolidated Shares, assuming the Share Consolidation had already become effective, would be HK\$3,500.

### **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 date of this announcement, 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 date of this announcement, 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.

#### **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.

## 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 announcement refer to Hong Kong local times and dates.

**2021**

Despatch date of circular with notice of the EGM . . . . . on or before  
Friday, 11 June

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 in this announcement.**

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

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

**GENERAL**

The EGM will be convened and held for the Shareholders to consider and, if thought fit, to approve the Share Consolidation. A circular containing, among other things, further details of the proposed Share Consolidation, the proposed Change in Board Lot Size and the notice convening the EGM is expected to be despatched by the Company to the Shareholders on or before 11 June 2021.

## DEFINITIONS

Unless otherwise specified, the following terms have the following meanings in this announcement:

“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
“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
“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

By the order of the Board of  
**Sterling Group Holdings Limited**  
美臻集團控股有限公司\*  
**Chung Sam Kwok Wai**  
*Executive Director*

Hong Kong, 3 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*