

THIS AGREEMENT is made on 30 August 2024

BETWEEN:

- (A) **STERLING APPAREL LIMITED**, a company incorporated in Hong Kong with limited liability and having its registered office at 18-19/F., Win Plaza, 9 Sheung Hei Street, San Po Kong, Kowloon, Hong Kong (the “**Supplier**” or the “**Lender**”);
- (B) **JP OUTFITTERS INC.**, a company incorporated in Delaware, the United States of America and having its registered office at 5345 CREEK RD, 45242 BLUE ASH, OH, USA. (the “**Purchaser**” or the “**Borrower**”); and
- (C) **SANTAI GLOBAL ASSET MANAGEMENT LIMITED**, a company incorporated in Hong Kong with limited liability whose registered office is situated at 11/F., Fuk Chiu Factory Building, 20 Bute Street, Mongkok, Kowloon, Hong Kong (“**Santai**”).

WHEREAS:

- (1) The Supplier is a wholly-owned subsidiary of the Holding Company (as defined below) and is principally engaged in trading of apparel products.
- (2) On 18 November 2022, the Supplier executed the First Letter of Support in favour of the Purchaser, pursuant to which the Supplier agreed (i) to continue supply to the Purchaser Inventories (as defined below); and (ii) not to enforce its right to collect from the Purchaser any trade payable for Inventories (as defined below) supplied until the earlier of 1 January 2024 or the Borrower receives its initial public offering proceeds, which constituted a financial assistance provided by the Supplier to the Purchaser (the “**Financial Assistance**”).
- (3) Mr. Choi was a former non-executive director of the Holding Company who resigned on 23 March 2022 and the Purchaser was an associate (as defined under Chapter 14A of the Listing Rules) of Mr. Choi at the material time when the First Letter of Support was executed. As such, the supply of Inventories contemplated under the First Letter of Support constituted continuing connected transactions of the Holding Company under Chapter 14A of the Listing Rules; and (ii) the provision of financial assistance contemplated under the First Letter of Support constituted a connected transaction of the Company under Chapter 14A of the Listing Rules, given that Mr. Choi was a director of the Holding Company in the last 12 months prior to the date of the First Letter of Support.
- (4) The maximum amount of outstanding Trade Payables during the Term (as defined below) was approximately HK\$6,000,000 (details of which are set out

in the Schedule to this Agreement) and such Trade Payables in the amount of approximately HK\$6,000,000 were novated from the Purchaser to Santai pursuant to a novation agreement entered into between Santai, the Supplier and the Purchaser dated 28 September 2022.

- (5) The parties to this Agreement have agreed to terminate the First Letter of Support and set out the terms and conditions of (i) supply of Inventories (as defined below); and (ii) provision of the Financial Assistance, subject to and upon the terms and conditions of this Agreement.

NOW IT IS HEREBY AGREED AS FOLLOWS:

1. INTERPRETATION

- 1.1 Unless the context otherwise requires, the following words and expressions in this Agreement (including the Recitals) shall have the following meanings:

“Business Day”	a day (other than a Saturday or Sunday) on which licensed banks are open for business in Hong Kong throughout their normal business hours
“Financial Assistance”	as defined in Recital (2)
“First Letter of Support”	the first letter of support executed by the Supplier in favour of the Purchaser dated 18 November 2022
“Holding Company”	Sterling Group Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on the main board of the Stock Exchange
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Inventories”	the inventories including apparel products, and such other products of the Supplier as shall be agreed in writing by the parties hereto from time to time
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Purchase Price”	the purchase price with reference to the existing prices of similar Inventories in the market in respect of each Inventory as agreed between the Supplier and the Purchaser from time to time
“Purchase Order”	an order for the purchase of the Inventories given by

	the Purchaser to the Supplier in the manner specified in Clause 2
“Repayment Date”	being the date falling two (2) years from the date of this Agreement (or such earlier date as may be notified in writing by Santai or the Borrower to the Lender in advance)
“Sales Cap”	the maximum annual amount of Inventories supplied by the Supplier to the Purchaser during the Term
“SFC”	Securities and Futures Commission of Hong Kong
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Term”	a period starting from 18 November 2022 and ended on 23 March 2023
“this Agreement”	this agreement for the (i) the supply of the Inventories during the Term; and (ii) the provision of the Financial Assistance, as amended from time to time
“Trade Payables”	the Purchaser’s trade payable for Inventories supplied by the Supplier to the Purchaser, the maximum outstanding amount of which during the Term was approximately HK\$6,000,000

- 1.2 The headings in this Agreement are inserted for convenience only and shall be ignored in construing this Agreement.
- 1.3 Unless the context otherwise requires, references in this Agreement to the singular shall be deemed to include references to the plural and vice versa; references to one gender shall include all genders; and references to persons shall be deemed to include references to bodies corporate.
- 1.4 References to Recitals and Clauses are references to recitals and clauses of this Agreement.

2. SUPPLY OF INVENTORIES

Pursuant to the First Letter of Support, the Supplier agreed to sell and/or supply and the Purchaser agreed to purchase the Inventories at the Purchase Price pursuant to such Purchase Order as may from time to time be given by the Purchaser and accepted by the Supplier during the Term and the actual sale during the Term was approximately HK\$6,000,000 (the Sales Cap is set in the

amount of HK\$6,000,000 for the purpose of Rule 14.53 of the Listing Rules).

3. FINANCIAL ASSISTANCE

- 3.1. Pursuant to the First Letter of Support, the Lender agreed not to enforce its right to collect from the Purchaser any trade payable for Inventories supplied until the earlier of 1 Jan 2024 or the Purchaser receives its initial public offering proceeds (i.e. the Financial Assistance).

The maximum amount of Trade Payables during the Term was approximately HK\$6,000,000 and hence, the amount of Financial Assistance provided under the First Letter of Support was approximately HK\$6,000,000.

- 3.2. Santai or the Borrower shall repay the Financial Assistance (i.e. HK\$6,000,000) in full in one lump sum together with all outstanding interest accrued thereon on the Repayment Date, being the date falling two (2) years from the date of this Agreement (or such earlier date as may be notified in writing by Santai or the Borrower to the Lender in advance). There is no penalty for prepayment of the Financial Assistance and the relevant interest amount at any time.
- 3.3. Interest on the Financial Assistance shall accrue from and including the date of this Agreement at the interest rate of 7% per annum up to the Repayment Date. All interest accrued will be payable in arrears in one lump sum on the Repayment Date. Interest shall be accrued on a daily basis and calculated on the actual number of days elapsed on the basis of a 365-day year.
- 3.4. If the Borrower or Santai fails to pay any sum payable under this Agreement when due, the Borrower or Santai shall pay a default interest from and including the due date to the date of actual payment at the rate of 10.5% per annum calculated on the actual number of days elapsed and accrued on a daily basis.

4. TERMINATION OF THE FIRST LETTER OF SUPPORT

- 4.1. In consideration of each of the parties hereto agreeing to enter into this Agreement, each of the Purchaser and the Supplier agrees and confirms the termination of the First Letter of Support with immediate effect from the date hereof.
- 4.2. Upon termination of the Letters of Support, each of the Purchaser and the Supplier agrees that all the rights, interests, obligations and liabilities whatsoever of the Purchaser and the Supplier to the First Letter of Support arising thereunder or in relation to the First Letter of Support shall cease and determine.

5. REPRESENTATION, WARRANTIES AND UNDERTAKINGS

5.1. Each of the Purchaser and Santai hereby represents and warrants to the Supplier as follows:

- (1) it is duly incorporated and validly existing under the laws of its place of incorporation, has the full power and authority to carry on its business and to enter into and perform this Agreement;
- (2) the execution, delivery and performance by each of the Purchaser and Santai of this Agreement will not exceed any power granted to it, or violate any provision of (a) any law or regulation or any order or decree of any governmental agency or court to which it is subjected to; or (b) any mortgage, charge, deed, contract or other agreement, undertaking or instrument to which it is a party or which is binding upon it or its assets, and will not result in the creation or imposition of, or any obligation to create or impose, any encumbrance on any of its assets; and
- (3) each of the Purchaser and Santai has not taken any corporate action for winding-up, bankruptcy, liquidation or dissolution and no steps have been taken or proceedings started or is threatened for the winding-up, bankruptcy, liquidation or dissolution of the Purchaser or Santai or for the appointment of a receiver, trustee or similar officer of the Purchaser or Santai.

5.2. Each of the Purchaser and Santai hereby further represents, warrants and agrees that each of the representations and warranties contained in Clause 5.1 shall be correct and complied with in all respects for so long as any part of the Trade Payables or interest thereon or any other amounts payable hereunder remain outstanding. Each of the Purchaser and Santai agrees to indemnify the Supplier against any loss it may suffer as a result of any of the above representations or warranties being untrue, incorrect or inaccurate.

5.3. Santai hereby undertakes to the Lender that it will provide to the Lender the original documentation(s) in relation to the JPO Shares Charge and the Resolution(s) as soon as practicable after the entering into of this Agreement and by no later than the latest practicable date of the circular of the Lender to be despatched by the Lender for the purpose of obtaining approval of this Agreement by the independent shareholders of the Lender at the extraordinary general meeting of the Lender as provided in Clause 6.1(1).

5.4. Santai hereby further undertakes to the Lender that, for so long as any part of the Financial Assistance or interest thereon or any other amounts payable hereunder remain outstanding:

- (1) it will procure the Borrower not to charge, pledge or dispose of its intellectual properties and other major assets as long as the Borrower remains a private company;

- (2) it will maintain not less than 50% shareholding interest in the Borrower as long as the Borrower remains a private company; and
 - (3) it will procure the Borrower to produce and deliver to the Lender a copy of the financial statements of the Borrower upon request by the Lender.
- 5.5. The Borrower hereby further undertakes to the Lender that, for so long as any part of the Financial Assistance or interest thereon or any other amounts payable hereunder remain outstanding:
- (1) it will not charge, pledge or dispose of its intellectual properties and other major assets as long as it remains a private company; and
 - (2) it will produce and deliver to the Lender a copy of its financial statements of upon request by the Lender.

6. CONDITIONS PRECEDENT

6.1 This Agreement shall be conditional upon:

- (1) the independent shareholders of the Holding Company having passed a resolution at the extraordinary general meeting of the Holding Company to be convened and held to approve this Agreement and the transactions contemplated hereunder;
- (2) the Lender having received from the Borrower and Santai (i) the original documentation(s) in relation to the charge of 3,139,367 shares of the Borrower (the “**JPO Shares Charge**”) (with a value of US\$2.71 per share based on the latest valuation of the fair market value of the common equity of the Borrower as at 1 June 2024 conducted by Andersen Tax LLC, an independent professional valuer, primarily based on the income approach), the value of which will be sufficient to cover the entire amount of the Financial Assistance, by Santai in favour of the Lender duly executed by the Borrower as a collateral to ensure the due performance by Santai of its obligations under this Agreement; and (ii) a copy certified as true and correct by a director of the Borrower and Santai of the resolution(s) of the director(s) of the Borrower and Santai (the “**Resolution(s)**”) authorising the execution, delivery and performance of this Agreement and the JPO Shares Charge and authorising a person or person(s) to sign on its behalf this Agreement and the JPO Shares Charge (whether under the common seal of the Borrower/Santai or otherwise);
- (3) the representations and warranties given by the Borrower and Santai under this Agreement remaining true and accurate in all respects; and

- (4) the satisfaction of all conditions precedent set out in the guaranty fee agreement entered into among Mr. Choi Siu Wai William, Ms. Wong Mei Wai Alice and the Supplier (save for the condition in relation to the satisfaction of all conditions precedent of this Agreement).
- 6.2 The Borrower and Santai shall procure that all information and documents required pursuant to the Listing Rules, and other applicable rules, codes and regulations whether in connection with the preparation of all announcements, circulars, reports, documents, independent advice or otherwise are duly given promptly to Lender, the Stock Exchange, the Securities and Futures Commission and other relevant regulatory authorities.
- 6.3 None of the above conditions are waivable and if the above conditions have not been satisfied on or before 30 November 2024 (or such later date as the Borrower and the Lender may agree), this Agreement shall cease and determine (save and except Clauses 10, 11 and 19 which shall continue to have full force and effect) and neither party shall have any obligations and liabilities towards each other hereunder save for any antecedent breaches of the terms hereof.
- 6.4 The Lender is entitled to request Santai and/or the Borrower for immediate repayment of the principal amount and accrued interest (if any) of the Financial Assistance in the event the above conditions have not been satisfied on or before 30 November 2024 (or such later date as the Borrower and the Lender may agree).

7. FURTHER ASSURANCE

Each of the parties hereto shall at the cost of the other party execute, do and perform or procure to be executed, done and performed by other necessary parties all such further acts, agreements, assignments, assurances, deeds and documents as the requesting party may reasonably require to give legal effect to the provisions of this Agreement.

8. NO PARTNERSHIP AND NO AGENCY

The parties to this Agreement hereby declare and confirm that the relationship between the parties is entirely contractual in nature and does not constitute any partnership or agency relationship between them.

9. FORCE MAJEURE

If the performance by either party of any of its obligations under this Agreement or any part thereof is prevented, restricted or interfered with by any event or circumstance (whether arising from natural courses, human agency or otherwise) beyond the reasonable control of that party which causes a cessation of performance or the substantial interference with the ability of that party to

perform its obligations under this Agreement including without limitation any strike, lock-out or other industrial action, labour dispute, riot, civil commotion, war, fire flood or other acts of God or acts of Government), then the party so affected shall upon giving written notice to the other be excused from such performance to the extent of such prevention, restriction or interference, provided that it shall use its best endeavours to resume performance of its obligations hereunder with the utmost despatch as soon as the cause of such prevention, restriction or interference is removed.

10. CONFIDENTIALITY

10.1. Each of the parties undertakes to the other that it will not, at any time after the date of this Agreement, divulge or communicate to any person other than to its professional advisers, or when required by law or any rule of any relevant stock exchange body, or to its respective officers or employees whose province it is to know the same any confidential information concerning the business, accounts, finance or contractual arrangements or other dealings, transactions or affairs of any of the others which may be within or may come to its knowledge and it shall use its best endeavours to prevent the publication or disclosure of any such confidential information concerning such matters.

10.2. No public announcement or communication of any kind shall be made in respect of the subject matter of this Agreement unless specifically agreed between the parties or unless an announcement is required pursuant to the applicable law and the regulations or the requirements of the Stock Exchange, SFC or any other regulatory body or authority.

11. NOTICES

11.1. Any notices required to be served hereunder shall be in writing and shall be communicated to the addresses and/or facsimile numbers set out below:

If to the Supplier

Address : 18 – 19th Floor, Win Plaza, 9 Sheung Hei Street,
San Po Kong, Kowloon, Hong Kong
Facsimile Number : (852) 21170069
Attention : Sam Chung

If to the Purchaser

Address : 5345 CREEK RD, 45242 BLUE ASH, OH, USA
Email : tpeterman@jpeterman.com
Attention : Tim Peterman

If to Santai

Address : 11/F Fuk Chiu Factory Building, 20 Bute Street,

Mongkok, Kowloon
Facsimile Number : (852) 23981500
Attention : Choi Siu Wai William

11.2. All notices or communications required to be served or given pursuant to this Agreement shall be:

- (1) in writing and may be sent by prepaid postage, (by airmail if to another country), facsimile transmission or personal delivery;
- (2) sent to the parties hereto at the facsimile number and/or address from time to time designated in writing by that party to the other, the initial address so designated by each party being set out in Clause 11.1; and
- (3) deemed to have been given and received by the relevant parties (i) within two (2) days after the date of posting, if sent by local mail; four (4) days after the date of posting, if sent by airmail; (ii) when delivered, if delivered by hand; and (iii) on despatch, if sent by facsimile transmission.

12. SUCCESSORS AND ASSIGNS

12.1. No party hereto may assign or transfer any of its rights or obligations under this Agreement unless prior written approval has been obtained from the other party.

12.2. This Agreement shall be binding on and enure for the benefit of each party's respective lawful successors and assigns.

13. MODIFICATION

This Agreement may be modified only by a written instrument executed by the parties hereto.

14. ENTIRE AGREEMENT

This Agreement sets out the entire agreement of the parties hereto in relation to the subject matters hereof and supersedes all previous agreements or understandings between the parties hereto in relation to the subject matters hereof.

15. COUNTERPART

This Agreement may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument and any of parties hereto may execute this Agreement by signing any such counterparts.

16. COSTS AND EXPENSES

Each party hereto shall bear its own costs and expenses in relation to the negotiations leading up to and the preparation, execution and performance of this Agreement.

17. THIRD PARTY RIGHTS

This Agreement shall enure to the benefit of the parties hereto and their respective successors, assignees and transferees. None of the provisions of this Agreement are intended to or will operate to confer any benefit pursuant to the Contracts (Rights of Third Parties) Ordinance (Cap.623 of the laws of Hong Kong) on a person who is not named as a party to this Agreement.

18. JOINT AND SEVERAL LIABILITY

The Borrower and Santai hereby agree to be jointly and severally liable for any and all debts, liabilities, and obligations arising from or relating to the performance of this Agreement. Each of the Borrower and Santai shall be responsible for the full satisfaction of any claim or demand made by the Lender in connection with this Agreement, irrespective of the individual share of liability attributable to each party.

19. GOVERNING LAW AND JURISDICTION

This Agreement shall be governed by and construed in accordance with the laws of Hong Kong. The parties hereto hereby irrevocably submit to the non-exclusive jurisdiction of the courts of Hong Kong but which shall not preclude the enforcement of this Agreement in any courts of competent jurisdiction.

SCHEDULE

Details of the Trade Payables

Date	Nature of transactions	Amount in US\$	Equivalent amount in HK\$
2022.11.26	A/R Invoices - CT00171U	8,026	62,604
2022.12.02	A/R Invoices - CT00171U	14,367	112,060
2022.12.02	A/R Invoices - CT00171U	4,859	37,899
2022.12.06	A/R Invoices - CT00171U	16,059	125,256
2022.12.09	A/R Invoices - CT00171U	99,602	776,895
2022.12.09	A/R Invoices - CT00171U	80,810	630,314
2022.12.09	A/R Invoices - CT00171U	14,495	113,060
2022.12.16	A/R Invoices - CT00171U	34,600	269,876
2022.12.16	A/R Invoices - CT00171U	36,476	284,509
2022.12.16	A/R Invoices - CT00171U	24,781	193,295
2022.12.23	A/R Invoices - CT00171U	42,879	334,453
2022.12.23	A/R Invoices - CT00171U	21,664	168,982
2022.12.30	A/R Invoices - CT00171U	38,686	301,750
2023.01.03	A/R Invoices - CT00171U	36,748	286,637
2023.01.07	A/R Invoices - CT00171U	97,477	760,317
2023.01.07	A/R Invoices - CT00171U	29,967	233,739
2023.01.13	A/R Invoices - CT00171U	15,916	124,146
2023.01.15	A/R Invoices - CT00171U	46,616	363,607
2023.01.15	A/R Invoices - CT00171U	7,815	60,956
2023.01.17	A/R Invoices - CT00171U	3,128	24,395
2023.02.20	A/R Invoices - CT00171U	3,229	25,190
2023.02.20	A/R Invoices - CT00171U	9,408	73,379
2023.02.21	A/R Invoices - CT00171U	11,669	91,020
2023.02.23	A/R Invoices - CT00171U	2,530	19,735
2023.02.27	A/R Invoices - CT00171U	8,693	67,802
2023.03.03	A/R Invoices - CT00171U	32,813	255,944
2023.03.16	A/R Invoices - CT00171U	14,815	115,556
2023.03.16	A/R Invoices - CT00171U	2,416	18,845
2023.03.24	A/R Invoices - CT00171U	2,107	16,437
Total		762,648	5,948,656



IN WITNESS whereof this Agreement has been entered into the day and year first before written.

THE SUPPLIER

SIGNED by)
for and on behalf of)
STERLING APPAREL LIMITED)
in the presence of:)

THE PURCHASER

SIGNED by)
for and on behalf of)
JP OUTFITTERS, INC.)
in the presence of:)

SANTAI

SIGNED by)
for and on behalf of)
SANTAI GLOBAL ASSET)
MANAGEMENT LIMITED)
in the presence of:)

IN WITNESS whereof this Agreement has been entered into the day and year first before written.

THE SUPPLIER

SIGNED by)
for and on behalf of)
STERLING APPAREL LIMITED)
in the presence of:)

THE PURCHASER

SIGNED by)	<i>Tim Peterman</i>
for and on behalf of)	
JP OUTFITTERS, INC.)	Tim Peterman
in the presence of:)	JP Outfitters, Inc CEO

SANTAI

SIGNED by)
for and on behalf of)
SANTAI GLOBAL ASSET)
MANAGEMENT LIMITED)
in the presence of:)

IN WITNESS whereof this Agreement has been entered into the day and year first before written.

THE SUPPLIER

SIGNED by)
for and on behalf of)
STERLING APPAREL LIMITED)
in the presence of:)

A handwritten signature in blue ink, appearing to be 'A. Leung', is written over the closing parenthesis of the 'THE SUPPLIER' signature block.

THE PURCHASER

SIGNED by)
for and on behalf of)
JP OUTFITTERS, INC.)
in the presence of:)

SANTAI

SIGNED by)
for and on behalf of)
SANTAI GLOBAL ASSET)
MANAGEMENT LIMITED)
in the presence of:)

DATE: 30 AUGUST 2024

STERLING APPAREL LIMITED

AND

JP OUTFITTERS, INC.

AND

SANTAI GLOBAL ASSET MANAGEMENT LIMITED

**AGREEMENT IN RELATION TO
(1) SUPPLY OF INVENTORIES; AND
(2) PROVISION OF FINANCIAL ASSISTANCE**

**Michael Li & Co.
Room 1901A, 1902 & 1902A, 19/F.
New World Tower I
16-18 Queen's Road Central
Central, Hong Kong
(Ref. No.: CCL/KV/CN/2317985)**

Date: 20 February 2025

The agreement in relation to (1) supply of inventories; and (2) provision of financial assistance dated 30 August 2024 entered into among Sterling Apparel Limited, JP Outfitters, Inc. and Santai Global Asset Management Limited (the “Agreement”)

Reference is made to the Agreement. Capitalised terms used herein shall have the same meanings as those defined in the Agreement unless otherwise defined.

By way of this letter, we hereby confirm our mutual agreement to extend the long stop date as stipulated in Clause 6.3 of the Agreement to take place on or before 30 April 2025 (or such later date as the parties to the Agreement may agree).

Subject only to the variations herein contained and such other alterations (if any) as may be necessary to make the Agreement consistent with this letter, the Agreement shall remain in full force and effect and shall be read and construed together with this letter and be enforceable as if the terms of this letter were incorporated therein by way of addition and substitution, as the case may be.

This letter may be signed in two or more counterparts whereas each of which shall be binding on the parties hereto and shall together constitute one instrument.


This letter shall be governed by and construed in accordance with the laws of Hong Kong.

Notwithstanding any other provisions of this letter, a person who is not a party to this letter shall not have any rights under the Contracts (Rights of Third Parties) Ordinance (Chapter 623 of the Laws of Hong Kong) to enforce any provisions of or enjoy and benefit under this letter.

For and on behalf of
Sterling Apparel Limited

x 
Name: CEO ALICE WONG
Title: CEO

For and on behalf of
**Santai Global Asset Management
Limited**


x
Name: WILLIAM CHOI
Title: DIRECTOR

For and on behalf of
JP Outfitters, Inc.

Tim Peterman
Name: Tim Peterman
Title: CEO