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SDM Group Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8363)

**PROFIT WARNING
FOR THE YEAR ENDED 31 DECEMBER 2014**

This announcement is made by SDM Group Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) pursuant to Rule 17.10 (2)(a) of the Rules Governing the Listing of Securities on the Growth Enterprise Market (“**GEM**”) of The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”) and the Inside Information Provisions (as defined in the GEM Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong).

The board (the “**Board**”) of directors (the “**Directors**”) of the Company would like to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on information currently available to the Board, the Group is expected to record a loss attributable to equity holders of the Company for the year ended 31 December 2014 as compared to an audited profit attributable to equity holders of the Company for the year ended 31 December 2013. Such an expected loss was mainly due to the recognition of the non-recurring expenses in relation to the listing of the shares of the Company on GEM of approximately HK\$10.5 million which were incurred during the year ended 31 December 2014.

The information contained in this announcement is only based on the preliminary assessment by the management of the Company of the unaudited consolidated management accounts of the Group for the year ended 31 December 2014 and is not based on any figure or information which has been audited or reviewed by the Company’s auditors and the audit committee of the Company and is subject to possible adjustments upon further review. The Company is in the process of finalizing the audited consolidated results of the Group for the year ended 31 December 2014. Details of the Group’s financial information and performance will be disclosed when the Group’s audited consolidated results for the year ended 31 December 2014 are announced, which is expected to be by the end of March 2015.

Shareholders of the Company and potential investors should exercise caution when dealing in the shares of the Company.

By Order of the Board
SDM Group Holdings Limited
Chiu Ka Lok
Chairman

Hong Kong, 13 February 2015

As at the date of this announcement, the executive Directors are Mr. Chiu Ka Lok and Mr. Chun Chi Ngon Richard, the non-executive Directors are Dr. Chun Chun, Ms. Yeung Siu Foon and Ms. Yip Sze Pui Fione, and the independent non-executive Directors are Mr. Lau Sik Yuen, Ms. Chiu Wing Kwan Winnie and Dr. Yuen Man Chun Royce.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the “GEM”) 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 announcement 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 announcement misleading.

This announcement will remain on the “Latest Company Announcements” page of the GEM website at www.hkgem.com for at least 7 days from the date of its posting and be posted on the website of the Company at www.sdm.hk.