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SDM GROUP HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8363)

PROFIT WARNING

This announcement is made by SDM Group Holdings Limited (the “**Company**” together with its subsidiaries, collectively the “**Group**”) pursuant to Rule 17.10 of the Rules Governing the Listing of Securities on the GEM (the “**GEM**”) of The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”) and the Inside Information Provisions (as defined under the GEM 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 shareholders of the Company (the “**Shareholders**”) and potential investors that, based on the information currently available, the loss attributable to owners of the Company for the year ended 31 December 2017 is expected to be significantly increased more than approximately 40% as compared to proceeding year ended 31 December 2016.

Our net loss was mainly due to one-off non-operation costs recorded in 2017, which were attributable to the increase in (i) loss on disposal of subsidiaries and (ii) impairment losses of PRC investment.

The information contained in this announcement is only based on preliminary review of the unaudited consolidated management accounts of the Company for the year ended 31 December 2017 by the management of the Company and the information currently available, and hence may or may not be accurate. The audited consolidated results of the Group for the year ended 31 December 2017 have not yet been finalised nor reviewed by the audit committee of the Company. The actual results of the Group for the year ended 31 December 2017 may be different to the information referred in this announcement. Shareholders and potential investors are advised to read carefully the Company’s results announcement for the year ended 31 December 2017, which is expected to be published on 22 March 2018.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

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

Hong Kong, 13 March 2018

As at the date of this announcement, the executive Directors are Mr. Chiu Ka Lok and Mr. Chun Chi Ngon Richard, non-executive Directors are Dr. Chun Chun, Ms. Yeung Siu Foon and the independent non-executive Directors are Mr. Lau Sik Yuen, Dr. Yuen Man Chun Royce and Mr. Lee Kwok Ho David.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules 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 at www.hkgem.com on the “Latest Company Announcements” page of the GEM website for at least 7 days from the date of its posting and on the Company website at www.sdm.hk.