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**SDM Group Holdings Limited**  
*(Incorporated in the Cayman Islands with limited liability)*  
**(Stock Code: 8363)**

**CHANGE OF AUDITOR**

This announcement is made by SDM Group Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 17.50(4) of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited.

The board of directors (the “**Board**”) of the Company announces that Deloitte Touche Tohmatsu (“**Deloitte**”) resigned from the office of auditor of the Company with effect from 8 January 2020, as the Company and Deloitte could not reach an agreement on the audit fee for the financial year ended 31 December 2019.

Deloitte has confirmed in their letter of resignation dated 8 January 2020 that from their perspective there are no matters in respect of their resignation that need to be brought to the attention of the shareholders of the Company (the “**Shareholders**”).

Deloitte has not commenced any audit work on the accounts of the Group for the financial year ended 31 December 2019. It is expected that the change of auditor will not have any significant impact on the annual audit for the financial year ended 31 December 2019. The Board and the audit committee of the Company (the “**Audit Committee**”) also confirm that there is no disagreement between Deloitte and the Company (save for the said audit fee), and there are no other matters in respect of the proposed change of auditor and the resignation of Deloitte that need to be brought to the attention of the Shareholders.

The Board, with the recommendation from the Audit Committee, has resolved to appoint KPMG as the auditor of the Company to fill the casual vacancy following the resignation of Deloitte and to hold office until the conclusion of the next annual general meeting of the Company.

The Board views that KPMG could be able to provide full spectrum of professional services to the Group to fulfill its needs of business development in the global market. The Board consider that the appointment of KPMG as the new auditor of the Company is in the interests of the Company and the Shareholders as a whole.

The Board would take this opportunity to express its gratitude to Deloitte for their professional services rendered to the Group in the past.

By order of the Board  
**SDM Group Holdings Limited**  
**CHIU Ka Lok**  
*Chairman*

Hong Kong, 8 January 2020

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

*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](http://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](http://www.sdm.hk).*