
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other licensed dealer in securities, a bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **SDM Group Holdings Limited**, you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.



SDM Group Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8363)

**(1) PROPOSED GRANTING OF GENERAL MANDATES
TO ISSUE NEW SHARES AND TO REPURCHASE SHARES
(2) PROPOSED RE-ELECTION OF THE RETIRING DIRECTORS
(3) RETIREMENT OF DIRECTOR
AND
(4) NOTICE OF ANNUAL GENERAL MEETING**

The AGM Notice convening the 2020 AGM of SDM Group Holdings Limited to be held at No. 6 Cambridge Road, Kowloon Tong, Kowloon, Hong Kong on Monday, 22 June 2020 at 2:00 p.m. is set out on pages 15-19 of this circular. A form of proxy for use at the 2020 AGM is enclosed with this circular. Such form of proxy is also published on the websites of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk) and the Company (www.sdm.hk).

Whether or not you are able to attend the 2020 AGM, please complete and sign the enclosed form of proxy in accordance with the instructions printed thereon and return it to the office of the Hong Kong branch share registrar and transfer office of the Company, Union Registrars Limited, at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the 2020 AGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the 2020 AGM or any adjourned meeting thereof if you so wish, and in such event, the form of proxy shall be deemed to be revoked.

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

21 May 2020

CHARACTERISTICS OF GEM

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

CONTENTS

	<i>Page</i>
Definitions	1
Letter from the Board	3
Appendix I — Explanatory Statement on the Repurchase Mandate	8
Appendix II — Details of the Retiring Directors Proposed to be Re-elected at the 2020 AGM	12
AGM Notice	15

DEFINITIONS

In this circular, the following expressions have the following meanings unless the context otherwise requires:

“2020 AGM”	an annual general meeting of the Company to be held at No. 6 Cambridge Road, Kowloon Tong, Kowloon, Hong Kong on Monday, 22 June 2020 at 2:00 p.m. to consider and, if appropriate, to approve the resolutions contained in the notice of the meeting which is set out on pages 15-19 of this circular, or any adjournment thereof
“AGM Notice”	the notice convening the 2020 AGM set out on pages 15-19 of this circular
“Articles”	the articles of association of the Company currently in force
“Board”	the board of Directors
“Companies Law”	the Companies Law (as amended, supplemented or otherwise modified from time to time) of the Cayman Islands
“Company”	SDM Group Holdings Limited, a company incorporated under the laws of the Cayman Islands with limited liability and the Shares of which are listed on the GEM
“Director(s)”	the directors of the Company
“Extension Mandate”	as defined in paragraph 2(c) of the Letter from the Board
“GEM”	GEM operated by the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM of the Stock Exchange
“Group”	the Company and its subsidiaries from time to time
“HK\$”	Hong Kong Dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Issuance Mandate”	as defined in paragraph 2(a) of the Letter from the Board
“Latest Practicable Date”	15 May 2020, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular

DEFINITIONS

“Repurchase Mandate”	as defined in paragraph 2(b) of the Letter from the Board
“SFO”	the Securities and Future Ordinance, Chapter 571 of the Laws of Hong Kong
“Share(s)”	ordinary share(s) of HK\$0.1 each in the share capital of the Company or if there has been a subsequent subdivision, consolidation, reclassification or reconstruction of the share capital of the Company, shares forming part of the ordinary equity share capital of the Company
“Shareholder(s)”	the registered holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers

LETTER FROM THE BOARD



SDM Group Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8363)

Executive Directors:

Mr. Chiu Ka Lok (*Chairman*)

Mr. Chun Chi Ngon Richard
(Chief Executive Officer)

Non-executive Directors:

Dr. Chun Chun

Ms. Yeung Siu Foon

Independent non-executive Directors:

Mr. Lau Sik Yuen

Dr. Yuen Man Chun Royce

Mr. Chak Chi Shing

Registered office:

75 Fort Street

P.O. Box 1350

Grand Cayman KY1-1108

Cayman Islands

Principal place of business

in Hong Kong:

Room 202B, 2/F

Liven House

61–63 King Yip Street

Kwun Tong

Kowloon

Hong Kong

21 May 2020

To the Shareholders,

Dear Sir or Madam,

**(1) PROPOSED GRANTING OF GENERAL MANDATES
TO ISSUE NEW SHARES AND TO REPURCHASE SHARES
(2) PROPOSED RE-ELECTION OF THE RETIRING DIRECTORS
(3) RETIREMENT OF DIRECTOR
AND
(4) NOTICE OF ANNUAL GENERAL MEETING**

1. INTRODUCTION

The purpose of this circular is to provide you with information in respect of the resolutions to be proposed at the 2020 AGM for, *inter alia*, (i) the granting of the Issuance Mandate to the Directors; (ii) the granting of Repurchase Mandate to the Directors; (iii) the granting of the Extension Mandate; and (iv) the re-election of the retiring Directors.

LETTER FROM THE BOARD

2. PROPOSED GRANTING OF THE ISSUANCE MANDATE AND REPURCHASE MANDATE

The Company has in issue an aggregate of 358,100,000 Shares as at the Latest Practicable Date. At the 2019 annual general meeting of the Company held on 6 May 2019, general mandates were granted to the Directors to allot and issue new Shares and to repurchase Shares. Up to the Latest Practicable Date, 4,000,000 new Shares have been issued under the general mandate. The mandates will expire at the conclusion of the 2020 AGM.

At the 2020 AGM, ordinary resolutions will be proposed to approve the granting of the new general mandates to the Directors:

- (a) to allot, issue or deal with new Shares, not exceeding 20% of the total number of the issued Shares as at the date of passing such proposed resolution (the “**Issuance Mandate**”);
- (b) to repurchase Shares, on the Stock Exchange, not exceeding 10% of the total number of issued Shares as at the date of passing such proposed resolution (the “**Repurchase Mandate**”); and
- (c) to extend the Issuance Mandate by an amount representing the total number of Shares repurchased by the Company pursuant to and in accordance with the Repurchase Mandate (if granted to the Directors at the 2020 AGM) (the “**Extension Mandate**”).

In accordance with the requirements of the GEM Listing Rules, the Company is required to send to the Shareholders an explanatory statement containing all the information reasonably necessary to enable them to make an informed decision on whether to vote for or against the granting of the Repurchase Mandate. The explanatory statement as required by the GEM Listing Rules in connection with the Repurchase Mandate is set out in Appendix I to this circular.

The Repurchase Mandate, the Issuance Mandate and the Extension Mandate would expire at the earliest of: (a) the conclusion of the next annual general meeting of the Company; or (b) the expiration of the period which the next annual general meeting of the Company is to be held as required by the Articles or the applicable laws of the Cayman Islands; or (c) revocation or variation by an ordinary resolution of the Shareholders in a general meeting prior to the next annual general meeting of the Company.

LETTER FROM THE BOARD

3. PROPOSED RE-ELECTION OF THE RETIRING DIRECTORS

In accordance with the Articles, Mr. Chiu Ka Lok, Mr. Lau Sik Yuen and Mr. Chak Chi Shing shall retire by rotation at the 2020 AGM. Mr. Chiu Ka Lok and Mr. Chak Chi Shing, being eligible, offer themselves for re-election at the 2020 AGM. As Mr. Lau Sik Yuen intended to spend more time to focus on other business commitments, he did not offer himself for re-election at the 2020 AGM. At the conclusion of 2020 AGM, Mr. Lau Sik Yuen will cease to be the Director and also cease to be the chairman of the audit committee of the Company. Mr. Lau Sik Yuen has confirmed that there is no disagreement with the Board and there is no matter in respect of his retirement as Director that needs to be brought to the attention of the Shareholder or the Stock Exchange. The Board will appoint a new independent non-executive Director and chairman of the audit committee. Related announcement(s) will be published in due course.

The Board has received from Mr. Chak an annual confirmation on his independence pursuant to Rule 5.09 of the GEM Listing Rules. The Board is not aware of any circumstance that might influence the independence of Mr. Chak and considers Mr. Chak to be independent. The Board is satisfied that, taking into account, among others, the valuable insights, useful guidance and independent judgment provided to the Board by Mr. Chak, Mr. Chak is of such character, integrity and experience commensurate with office of an independent non-executive Director. Mr. Chak's professional background, knowledge and experience have also contributed to the diversity of the Board. Based on the above mentioned considerations, the Board, on the recommendation of the nomination committee of the Company, would recommend Mr. Chak for re-election at the 2020 AGM.

The details of the above Directors proposed to be re-elected at the 2020 AGM are set out in Appendix II to this circular.

4. 2020 AGM AND PROXY ARRANGEMENT

The AGM Notice convening the 2020 AGM to be held on Monday, 22 June 2020 at 2:00 p.m. at No. 6 Cambridge Road, Kowloon Tong, Kowloon, Hong Kong for the purpose of considering and, if thought fit, passing the resolutions as set out on pages 15-19 of this circular.

Pursuant to Rule 17.47(4) of the GEM Listing Rules, any vote of the Shareholders at a general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Accordingly, all the proposed resolutions will be put to vote by way of poll at the 2020 AGM. An announcement on the poll vote results will be published by the Company after the 2020 AGM in the manner prescribed under Rule 17.47(5) of the GEM Listing Rules.

The 2019 annual report incorporating the audited consolidated financial statement of the Group for the year ended 31 December 2019 and the reports of the Directors and the auditors thereon are dispatched to the Shareholders together with this circular.

LETTER FROM THE BOARD

You will find enclosed with this circular a form of proxy for use at the 2020 AGM and such form of proxy is also published on the websites of the Stock Exchange (*www.hkexnews.hk*) and the Company (*www.sdm.hk*). Whether or not you are able to attend the 2020 AGM, please complete and sign the enclosed form of proxy in accordance with the instructions printed thereon and return it, together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power of attorney or authority, to the office of the Hong Kong branch share registrar and transfer office of the Company, Union Registrars Limited, at Suites 3301–04, 33/F., Two Chinachem Exchange Square, 338 King’s Road, North Point, Hong Kong as soon as possible but in any event not less than 48 hours before the time scheduled for holding the 2020 AGM or any adjournment thereof. Completion and return of the form of proxy shall not preclude you from attending and voting in person at the 2020 AGM, in such event, the form of proxy shall be deemed to be revoked.

5. RECOMMENDATION

The Directors consider that (i) the granting of the Issuance Mandate, the Repurchase Mandate and the Extension Mandate; and (ii) the re-election of the retiring Directors are all in the best interests of the Company, the Group and the Shareholders as a whole. Accordingly, the Directors recommend that the Shareholders to vote in favour of the relevant resolutions as set out in the AGM Notice to be proposed at the 2020 AGM.

6. CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining shareholders’ entitlements to attend and vote at the 2020 AGM, the transfer books and the register of members of the Company will be closed from Wednesday, 17 June 2020 to Monday, 22 June 2020 (both days inclusive), during which period no transfer of shares will be effected. In order to establish the rights to attend and vote at the 2020 AGM, all transfers, accompanied by the relevant share certificates, must be lodged with the Company’s Hong Kong branch share registrar, Union Registrars Limited, at Suites 3301– 04, 33/F., Two Chinachem Exchange Square, 338 King’s Road, North Point, Hong Kong no later than 4:00 p.m. on Tuesday, 16 June 2020.

7. STATEMENT OF RESPONSIBILITY

This circular, 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 circular 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 circular misleading.

LETTER FROM THE BOARD

8. ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendices to this circular: Appendix I — Explanatory Statement on the Repurchase Mandate; and Appendix II — Details of the Retiring Directors Proposed to be Re-elected at the 2020 AGM.

Yours faithfully,
By Order of the Board
SDM Group Holdings Limited
CHIU Ka Lok
Chairman

The following is an explanatory statement required by the GEM Listing Rules to be sent to Shareholders to enable them to make an informed decision on whether to vote for or against the ordinary resolution to be proposed at the 2020 AGM in relation to the granting of the Repurchase Mandate.

1. REASON FOR REPURCHASES OF SHARES

The Directors believe that it is in the best interests of the Company and the Shareholders as a whole to have a general authority from the Shareholders to enable the Directors to repurchase Shares on the market. Such repurchases may, depending on market conditions and funding arrangements at the material time, lead to an enhancement of the net asset value per Share and/or earnings per Share and will only be made when the Directors believe that such repurchases will benefit the Company and the Shareholders as a whole.

The Directors have no present intention to repurchase any Shares. The Directors are seeking the granting of the Repurchase Mandate to give the Company the flexibility to do so if and when appropriate. The number of Shares to be repurchased on any occasion and the price and other terms upon which the same are repurchased will be decided by the Directors at the relevant time, having regard to the circumstances then pertaining.

2. SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company comprised 358,100,000 Shares.

Subject to the passing of the ordinary resolution no. 6 of the AGM Notice in respect of the granting of the Repurchase Mandate and on the basis that the issued ordinary share capital of the Company remains unchanged as at the date of the 2020 AGM, i.e. being 358,100,000 Shares, the Directors would be authorised to exercise the Repurchase Mandate to repurchase, during the period in which the Repurchase Mandate remains in force, a maximum of 35,810,000 Shares, being 10% of the total number of issued Shares of the Company as at the date of 2020 AGM. The Repurchase Mandate would expire at the earliest of: (a) the conclusion of the next annual general meeting of the Company; or (b) the expiration of the period which the next annual general meeting of the Company is required by the Articles or the applicable laws of Cayman Islands to be held; or (c) revocation or variation by an ordinary resolution of the Shareholders in a general meeting prior to the next annual general meeting of the Company.

3. FUNDING AND IMPACT OF REPURCHASES

Any repurchase will be funded from the Company's internal resources, which shall be funds legally available for such purpose in accordance with the memorandum of association and the Articles of the Company, the GEM Listing Rules, the applicable laws of the Cayman Islands and/or any other applicable laws, as the case may be.

Under the law of the Cayman Islands, any repurchases by the Company may only be made out of profits of the Company or out of the proceeds of a fresh issue of shares made for the purpose or, if authorised by the Articles and subject to the Companies Law, out of capital. Any premium payable on a redemption or purchase over the par value of the shares to be repurchased must be provided for out of profits or the share premium account of the Company or, if authorised by the Articles and subject to the Companies Law, out of capital. In accordance with the laws of the Cayman Islands, the shares so repurchased would be treated as cancelled.

As compared with the financial position of the Company as at 31 December 2019 (being the date to which the latest audited accounts of the Company have been made up), the Directors consider that there might be a material adverse impact on the working capital and on the gearing position of the Company in the event that the proposed repurchases were to be carried out in full during the proposed repurchase period.

The Directors do not intend to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital or gearing position of the Company.

4. EFFECT OF THE TAKEOVER CODE

If as a result of a repurchase of Shares pursuant to the Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purpose of the Takeovers Code. Accordingly, a Shareholder or a group of Shareholders acting in concert (as that term is defined in the Takeovers Code), depending on the level of increase of the Shareholder's interest, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code for all the Shares not already owned by such Shareholder or a group of Shareholders.

As at the Latest Practicable Date, the only controlling Shareholder is Wealthy Together Limited ("**Wealthy Together**"), a company wholly owned by Mr. Chiu Ka Lok, an executive Director of the Company ("**Mr. Chiu**"). Wealthy Together owned 198,750,000 Shares (approximately 55.50% of the issued share capital of the Company) as at the Latest Practicable Date. In the event that the Repurchase Mandate was exercised in full, the interest of Wealthy Together would be increased from approximately 55.50% to approximately 61.67%. On the basis of the aforesaid increase of shareholding held by Wealthy Together, the Directors are not aware of any consequences of such repurchases of Shares that would result in a Shareholder, or group of Shareholders acting in concert, becoming obliged to make a mandatory offer under Rule 26 of the Takeovers Code if the Repurchase Mandate was exercised in full. Moreover, the Directors do not intend to exercise the power to repurchase Shares to an extent which would render any Shareholder or group of Shareholders obliged to make a mandatory offer under Rule 26 of the Takeovers Code.

The Directors have no intention to exercise the Repurchase Mandate to such an extent that results in a public shareholding of less than 25% (or such other prescribed minimum percentage as determined by the Stock Exchange) of the Company's Shares in public hands.

5. GEM LISTING RULES RELATING TO REPURCHASE OF SHARES

The GEM Listing Rules permit companies with a primary listing on the Stock Exchange to repurchase their shares on the Stock Exchange and any other stock exchange on which the securities of the Company are listed and such exchange is recognized by the Securities and Futures Commission of Hong Kong and the Stock Exchange subject to certain restrictions.

The GEM Listing Rules provide that all proposed repurchases of shares must be approved by shareholders in advance by an ordinary resolution at a general meeting, either by way of a general repurchase mandate or by a specific approval of a particular transaction and that the shares to be repurchased must be fully paid up.

6. UNDERTAKING OF THE DIRECTORS

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate in accordance with the GEM Listing Rules, the applicable laws of the Cayman Islands and in accordance with the memorandum of association and the Articles of the Company.

7. DIRECTORS, THEIR CLOSE ASSOCIATES AND CORE CONNECTED PERSONS

None of the Directors or, to the best knowledge and belief of the Directors having made all reasonable enquiries, any of their respective close associates (as defined in the GEM Listing Rules) has any present intention, in the event that the proposed Repurchase Mandate is granted, to sell Shares to the Company. No core connected person (as defined in the GEM Listing Rules) of the Company has notified the Company that they have a present intention to sell Shares to the Company, or that they have undertaken not to sell any of the Shares held by them to the Company in the event that the granting of the Repurchase Mandate is approved by the Shareholders.

8. SHARE REPURCHASE MADE BY THE COMPANY

The Company had not purchased any of the Shares (whether on the Stock Exchange or otherwise) during the last six months preceding the Latest Practicable Date.

9. SHARE PRICES

The highest and lowest market prices per Share at which the Shares were traded on GEM during each of the previous twelve months (up to the Latest Practicable Date) were as follows:

Month	Share Price (Per Share)	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2019		
April	0.81	0.62
May	0.99	0.71
June	0.77	0.70
July	0.82	0.64
August	0.81	0.68
September	0.94	0.74
October	1.16	0.89
November	1.16	1.04
December	1.17	0.95
2020		
January	1.15	0.97
February	1.56	1.00
March	1.59	1.40
April	1.55	1.20
May (up to the Latest Practicable Date)	1.72	1.28

The biographical details of the Directors proposed to be retired at the conclusion of the 2020 AGM and be proposed to be re-elected at the 2020 AGM are set out as follows:

1. CHIU KA LOK (趙家樂)

Position and experience

Mr. Chiu Ka Lok (趙家樂) (“**Mr. Chiu**”), aged 44, is our chairman and executive Director. He was appointed as our Director on 12 February 2014 and was re-designated as an executive Director on 24 March 2014. Mr. Chiu is also the member of the remuneration committee of the Company. Mr. Chiu founded our Group in May 2006. Mr. Chiu is primarily responsible for the overall corporate strategies, management and business development of our Group. Mr. Chiu is also the director of certain subsidiaries of our Company. He is also a director of Pok Oi Hospital, a charitable organisation providing various services to the local community including child care and education. Mr. Chiu graduated from The University of Science & Technology, Hong Kong, in November 1998, with a bachelor’s degree in computer engineering.

Mr. Chiu had not been a director of any other listed company for the three years preceding the Latest Practicable Date.

Length of service

Mr. Chiu has no fixed term of service. Mr. Chiu is also subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Articles.

Relationships

Mr. Chiu is the spouse of Dr. Chun Chun, a non-executive Director and the son-in-law of Mr. Chun Chi Ngon Richard, an executive Director and Ms. Yeung Siu Foon, a non-executive Director.

Interests in Share

As far as the Directors are aware, as at the Latest Practicable Date, Mr. Chiu was interested or deemed to be interested in 198,750,000 Shares and 7,082,000 underlying Shares (3,541,000 underlying Shares are interests in option granted pursuant to the share option scheme and 3,541,000 underlying Shares are interests of his spouse) of the Company pursuant to Part XV of the SFO.

Director’s emoluments

Pursuant to the service contract, Mr. Chiu is entitled to a bonus. For the year ended 31 December 2019, a total sum of HK\$2,190,000 (including a share based payments in a sum of HK\$1,119,000) has been paid to Mr. Chiu. The above emoluments of Mr. Chiu have been determined with reference to his role and duties, performance and responsibilities as well as the prevailing market conditions and are subject to revision in future by the decision of the Board based on the recommendation of the Company’s remuneration committee.

Other information and matters that need to be disclosed or brought to the attention of the Shareholders

As far as the Directors are aware, there is no information of Mr. Chiu to be disclosed pursuant to Rule 17.50(2) of the GEM Listing Rules; and there are no other matters concerning Mr. Chiu that need to be brought to the attention of the Shareholders.

2. CHAK CHI SHING (翟志勝)**Position and experience**

Mr. Chak Chi Shing (翟志勝) (“**Mr. Chak**”), aged 39, was appointed as our independent non-executive Director on 15 May 2019. Mr. Chak is also the chairman of the remuneration committee of the Company and the member of the audit committee and nomination committee of the Company. Mr. Chak obtained a bachelor’s degree in accounting and finance from Curtin University of Technology in Australia. Mr. Chak is a member of CPA Australia and Hong Kong Institute of Certified Public Accountants. Mr. Chak has over 13 years of professional experience in auditing, accounting, corporate finance and financial management and also has years of experience in company secretarial and corporate governance. Mr. Chak is currently the chief financial officer and company secretary of Tokyo Chuo Auction Holdings Limited (stock code: 1939) and the company secretary of Hao Wen Holdings Limited (stock code: 8019). Mr. Chak was the executive director of China Shenghai Food Holdings Company Limited (stock code: 1676) from December 2018 to September 2019. Mr. Chak served as the company secretary of Bolina Holdings Co., Ltd. (stock code: 1190) from March 2017 to August 2018, and the company secretary of the Company from March 2016 to July 2016.

Save as disclosed above, Mr. Chak had not been a director of any other listed company for the three years preceding the Latest Practicable Date.

Length of service

Pursuant to the Director’s service contract entered into between the Company and Mr. Chak, his initial current term of office is for a period of three years commencing from 15 May 2019, unless terminated by either party giving to the other not less than three months’ prior notice in writing. Mr. Chak is also subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Articles.

Relationships

As far as the Directors are aware, Mr. Chak does not have any relationships with other Directors, senior management, substantial Shareholders or controlling Shareholders of the Company.

Interests in Share

As far as the Directors are aware, as at the Latest Practicable Date, Mr. Chak was not interested or deemed to be interested in any Shares or underlying Shares of the Company pursuant to Part XV of the SFO.

Director's emoluments

Pursuant to the service contract, Mr. Chak is entitled to a fixed director fee. For the year ended 31 December 2019, the amount of director fee paid to Mr. Chak is in a sum of HK\$63,000. The above emoluments of Mr. Chak have been determined with reference to his role and duties, performance and responsibilities as well as the prevailing market conditions and are subject to revision in future by the decision of the Board based on the recommendation of the Company's remuneration committee.

Other information and matters that need to be disclosed or brought to the attention of the Shareholders

As far as the Directors are aware, there is no information of Mr. Chak to be disclosed pursuant to Rule 17.50(2) of the GEM Listing Rules; and there are no other matters concerning Mr. Chak that need to be brought to the attention of the Shareholders.

AGM NOTICE



SDM Group Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8363)

NOTICE IS HEREBY GIVEN that an annual general meeting (the “**Meeting**”) of SDM Group Holdings Limited (the “**Company**”) will be held on Monday, 22 June 2020 at 2:00 p.m. at No. 6 Cambridge Road, Kowloon Tong, Kowloon, Hong Kong for the purpose of considering and, if thought fit, passing with or without amendments the following resolutions as ordinary resolutions of the Company:

ORDINARY RESOLUTIONS

1. To receive, consider and adopt the audited consolidated financial statements of the Company and the reports of the directors of the Company (the “**Directors**”) and the auditors of the Company for the year ended 31 December 2019.
2. To re-appoint KPMG as the auditors of the Company and to authorize the board of directors of the Company (the “**Board**”) to fix their remuneration.
3. (a) To re-elect Mr. Chiu Ka Lok as an executive Director; and
(b) To re-elect Mr. Chak Chi Shing as an independent non-executive Director.
4. To authorize the Board to fix the remuneration of the Directors.
5. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“**THAT:**

- (a) subject to paragraph (c) of this resolution below, the exercise by the Directors during the Relevant Period (as defined below) of all the powers of the Company to allot, issue and deal with authorized and unissued shares in the share capital of the Company and to make or grant offers, agreements or options (including warrants, bonds and debentures convertible into shares of the Company (the “**Shares**”)) which might require the exercise of such powers be and is hereby generally and unconditionally approved;

AGM NOTICE

- (b) the Directors be and are hereby authorised during the Relevant Period to make or grant offers, agreements or options (including warrants, bonds and debentures convertible into shares of the Company) which might or would require the exercise of such powers (including but not limited to the power to allot, issue and deal with additional shares in the capital of the Company) during or after the end of the Relevant Period;
- (c) the total number of Shares allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and issued by the Directors pursuant to the approval in paragraphs (a) and (b) of this resolution above, otherwise than pursuant to:
 - (i) a Rights Issue (as defined below);
 - (ii) the exercise of the outstanding conversion rights attached to any convertible securities issued by the Company, which are convertible into shares of the Company;
 - (iii) the exercise of any options granted under the share option scheme(s) adopted by the Company or similar arrangement for the time being adopted for the grant or issue to officers and/or employees of the Company and/or any of its subsidiaries of shares or rights to subscribe for Shares in the Company; or
 - (iv) any scrip dividend scheme or similar arrangement providing for the allotment of shares in the Company in lieu of the whole or part of a dividend on shares of the Company in accordance with the articles of association of the Company from time to time,

shall not exceed 20% of the total number of issued Shares as at the date of passing this resolution and the said approval shall be limited accordingly; and

- (d) for the purposes of this resolution:

“**Relevant Period**” means the period from the time of the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the laws of the Cayman Islands or the Company’s articles of association to be held; or
- (iii) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting.

AGM NOTICE

“**Rights Issue**” means an offer of shares open for a period fixed by the Directors to holders of shares on the register of members on a fixed record date in proportion to their then holdings of such shares (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of any relevant jurisdiction, or the requirements of any recognized regulatory body or any stock exchange).”

6. “**THAT:**

- (a) subject to paragraph (c) of this resolution below, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all powers of the Company to repurchase its shares on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) or on any other stock exchange recognized by the Securities and Futures Commission of Hong Kong and the Stock Exchange, subject to and in accordance with the applicable laws, rules and regulations, be and is hereby, generally and unconditionally approved;
- (b) the approval in paragraph (a) of this resolution above shall be in addition to any other authorization given to the Directors and shall authorize the Directors on behalf of the Company during the Relevant Period to procure the Company to repurchase its Shares at a price determined by the Directors;
- (c) the total number of Shares to be repurchased pursuant to the approval in paragraph (a) above shall not exceed 10% of the total number of issued shares as at the date of passing this resolution and the said approval shall be limited accordingly; and
- (d) for the purposes of this resolution:

“**Relevant Period**” means the period from the time of the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the laws of the Cayman Islands or the Company’s articles of associations to be held; or
- (iii) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting.”

AGM NOTICE

7. “**THAT** conditional upon the passing of the ordinary resolutions no. 5 and 6 as set out in this notice convening the Meeting (the “**Notice**”), the general mandate granted to the Directors pursuant to ordinary resolution no. 5 as set out in the Notice be and is hereby extended by the addition thereto of an aggregate number representing the total number of Shares repurchased by the Company under the authority granted pursuant to ordinary resolution no. 6 as set out in this Notice, provided that such number shall not exceed 10% of the total number of issued Shares as at the date of passing this resolution.”

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

Hong Kong, 21 May 2020

As at the date of this Notice, the executive Directors are Mr. Chiu Ka Lok and 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.

Notes:

1. Any member of the Company entitled to attend and vote at the Meeting shall be entitled to appoint another person as his proxy to attend and vote instead of him. A member who is the holder of two or more shares may appoint more than one proxy to represent him and vote on his behalf at the Meeting. A proxy need not be a member of the Company. On a poll, votes may be given either personally or by proxy.
2. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing or, if the appointer is a corporation, either under its seal or under the hand of an officer, attorney or other person authorised to sign the same.
3. In order to be valid, the instrument appointing a proxy and (if required by the Board) the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority, shall be delivered to the office of the Hong Kong branch share registrar and transfer office of the Company, Union Registrars Limited, at Suites 3301–04, 33/F., Two Chinachem Exchange Square, 338 King’s Road, North Point, Hong Kong not less than 48 hours before the time appointed for holding the Meeting or any adjournment thereof. Delivery of the form of proxy shall not preclude a member of the Company from attending and voting in person at the Meeting and, in such event, the form of proxy shall be deemed to be revoked.
4. No instrument appointing a proxy shall be valid after expiration of 12 months from the date named in it as the date of its execution, except at an adjourned Meeting or on a poll demanded at the Meeting or any adjournment thereof in cases where the Meeting was originally held within 12 months from such date.
5. Where there are joint holders of any shares, any one of such joint holders may vote at the Meeting, either in person or by proxy, in respect of such shares as if he/she were solely entitled thereto, but if more than one of such joint holders be present at the Meeting, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose, seniority shall be determined by the order in which the names stand in the Register of Members of the Company in respect of the joint holding.

AGM NOTICE

6. To ascertain shareholders' eligibility to attend and vote at this Meeting, the register of members of the Company will be closed from Wednesday, 17 June 2020 to Monday, 22 June 2020 (both days inclusive), during which period no share transfer will be effected. In order to qualify for attending and voting at the Meeting, unregistered holders of shares of the Company should ensure that all completed transfer forms accompanied by the relevant share certificates must be lodged with the Hong Kong branch share registrar and transfer office of the Company, Union Registrars Limited, at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong for registration no later than 4:00 p.m., on Tuesday, 16 June 2020.
7. An explanatory statement containing the information necessary to enable the members to make an informed decision as to whether to vote for or against the ordinary resolution no. 6 as set out in this Notice is set out in Appendix I to the Company's circular dated 21 May 2020.
8. Details of the retiring directors proposed to be re-elected as Directors of the Company at the Meeting are set out in Appendix II to the Company's circular dated 21 May 2020.
9. A form of proxy for use at the Meeting is enclosed.
10. If Typhoon Signal No. 8 or above, or a "black" rainstorm warning or "extreme conditions after super typhoons" announced by the Government of Hong Kong is/are in effect any time at or at any time after 9:00 a.m. on the date of the annual general meeting, the meeting will be postponed. The Company will post an announcement on the websites of the Company at www.sdm.hk and the Stock Exchange at www.hkexnews.hk to notify Shareholders of the date, time and place of the rescheduled meeting.
11. In view of the continuous spread of Coronavirus (COVID-19) pandemic (the "**Pandemic**"), the Company will implement the following prevention and control measures at the Meeting against the Pandemic to protect all participants in the Meeting including the shareholders of the Company, their proxies and other non-shareholder personnel (the "**Participants**") from the risk of infection, including:
 - (i) every Participant shall be subject to compulsory body temperature check at the entrance of the venue of the Meeting and anyone with a body temperature higher than 37.3 degree Celsius will be denied entry to the venue of the Meeting;
 - (ii) all Participants are required to wear face masks appropriately at all times during their attendance of the Meeting;
 - (iii) a distance of at least 1.5 meters among all seats at the venue of the Meeting will be set to keep a safe physical distance among the Participants;
 - (iv) no refreshment will be served either during or after the Meeting and no corporate gifts will be handed out to avoid close contacts of the Participants during their attendance of the Meeting; and
 - (v) to reduce the number of people in one single venue, the number of Participants will be restricted and where necessary and practicable, multiple meeting rooms with telecommunication facilities will be put into use.