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SUCCESS DRAGON INTERNATIONAL HOLDINGS LIMITED

勝龍國際控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 1182)

- (1) MAJOR TRANSACTION:
ACQUISITION OF 45% INTEREST
IN A 5-STAR HOTEL AND LAND FOR HOTEL DEVELOPMENT IN VIETNAM;**
- (2) SHARE TRANSACTION:
AGENCY SERVICES IN RELATION TO THE ACQUISITION; AND**
- (3) ISSUE OF CONSIDERATION SHARES UNDER SPECIFIC MANDATE**

ACQUISITION OF 45% INTEREST IN A 5-STAR HOTEL AND LAND FOR HOTEL DEVELOPMENT IN VIETNAM

The Board hereby announces that after close of trading hours on 30 March 2016, SDAH, a wholly-owned subsidiary of the Company, entered into the SP Agreement with the Vendor, pursuant to which SDAH has conditionally agreed to acquire the entire issued share capital in the Target Company from the Vendor for a total consideration of US\$14.13 million (equivalent to about HK\$109.65 million). Upon Completion, the Target Company will hold 45% equity interest in the Holding Company which will, in turn, be the legal and beneficial owner of, among others, the Hotel and the Land in Vietnam.

The Consideration for the Acquisition shall be satisfied by SDAH by procuring the Company to issue 265,493,462 Acquisition Consideration Shares at the Consideration Share Price of HK\$0.413 per Share to the Subscriber (at the direction of the Vendor) upon Completion. The Acquisition Consideration Shares represent (i) about 15.79% of the existing issued share capital of the Company as at the date of this announcement; and (ii) about 13.58% of the issued share capital of the Company as enlarged by the allotment and issue of the Consideration Shares upon Completion.

Completion is conditional upon, among other things, the satisfaction of the conditions precedent as set out in the SP Agreement. Therefore, the Acquisition may or may not materialise. Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

AGENCY SERVICES IN RELATION TO THE ACQUISITION

The Board further announces that after close of trading hours on 30 March 2016, the Company and SDAH entered into the Agency Agreement with the Agent, pursuant to which SDAH has appointed the Agent as agent for SDAH and the Agent has agreed its appointment by SDAH to provide the Agency Services to SDAH.

In consideration of the provision of the Agency Services by the Agent to SDAH, subject to and conditional upon the Completion being taken place on or before the Long Stop Date, SDAH agrees to pay to the Agent the Agency Fee of US\$423,900 (equivalent to about HK\$3.29 million), which is in an amount equal to 3% of the Acquisition Consideration.

Subject to SDAH obtaining all requisite approvals (including any that may be required to be obtained from the Shareholders and the Stock Exchange) and in compliance with the applicable laws, rules and regulations (including the Listing Rules), the Agency Fee shall be paid and satisfied by the Company allotting and issuing 7,964,803 Agency Consideration Shares at the Consideration Share Price of HK\$0.413 per Share to the Agent upon Completion. The Agency Consideration Shares represent (i) about 0.47% of the existing issued share capital of the Company as at the date of this announcement; and (ii) about 0.41% of the issued share capital of the Company as enlarged by the allotment and issue of the Consideration Shares upon Completion.

LISTING RULES IMPLICATIONS

As the applicable percentage ratios in respect of the Acquisition are more than 25% but less than 100%, the Acquisition constitutes a major transaction of the Company and is subject to the notification, announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

As the applicable percentage ratios in respect of the transaction contemplated under the Agency Agreement are less than 5% and the Agency Fee will be satisfied by the allotment and issue of the Agency Consideration Shares for which listing will be sought, the transaction contemplated under the Agency Agreement constitutes a share transaction of the Company and is subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

The Company will convene the SGM to seek the Shareholders' approval for the Acquisition, the SP Agreement and the transactions contemplated thereunder, and the specific mandate for the allotment and issue of the Consideration Shares.

DESPATCH OF CIRCULAR

A circular containing, among others, details of the Acquisition, the SP Agreement and transactions contemplated thereunder, further information on the Target Company and the Assets and other information required to be disclosed under the Listing Rules, together with a notice convening the SGM, is currently expected to be despatched to the Shareholders on or before 21 April 2016.

ACQUISITION OF THE ENTIRE ISSUED SHARE CAPITAL IN THE TARGET COMPANY

The Board hereby announces that after close of trading hours on 30 March 2016, SDAH, a wholly-owned subsidiary of the Company, entered into the SP Agreement with the Vendor, pursuant to which SDAH has conditionally agreed to acquire the entire issued share capital in the Target Company, which will hold 45% equity interest in the Holding Company which will, in turn, be the legal and beneficial owner of, among others, the Hotel and the Land.

The principal terms and conditions of the SP Agreement are set out below.

The SP Agreement

Date: 30 March 2016

Parties: (1) SDAH, a wholly-owned subsidiary of the Company, as purchaser; and
(2) the Vendor, as vendor

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, (i) the Vendor is a Vietnamese resident; and (ii) the Vendor is a third party independent of the Company and the connected persons (as defined in the Listing Rules) of the Company.

Assets to be acquired

Under the SP Agreement, SDAH has conditionally agreed to acquire, and the Vendor has conditionally agreed to sell, the entire issued share capital in the Target Company. As a condition precedent to the Completion, the Vendor will procure the implementation of the Reorganisation so that upon Completion, (i) the Target Company shall be an investment holding company whose sole business is the holding of 45% of the entire registered equity capital in the Holding Company; (ii) the Holding Company shall be the sole legal and beneficial owner of the Assets of the Holding Group, comprising the Hotel, the Land and all licenses which are required for operation of the Hotel Business pursuant to applicable laws in Vietnam, free from all Encumbrances and third party rights; and (iii) the rights and obligations of several loans currently owed by the Vendor or companies controlled by him with an aggregate principal amount of about US\$18.60 million (equivalent to about HK\$144.34 million) for financing the acquisition and development of the Assets and any contracts or arrangements entered into by the predecessor(s) of the Assets before completion of the Reorganisation shall be novated to, and assumed by, any members of the Holding Group.

Based on information provided by the Vendor, the Hotel is a 24-storey, five-star hotel and commercial complex with basement car park located at Da Nang City, Vietnam, with a total site area of 1,916 square metres and a total floor area of about 28,493.85 square metres. The Land is situated adjacent to the land on which the Hotel is erected, with an aggregate site area of about 3,285 square metres, and is intended for building a new wing for usage as an expansion of the Hotel.

Consideration

The Consideration for the Acquisition is US\$14.13 million (equivalent to about HK\$109.65 million), which shall be satisfied by SDAH by procuring the Company to issue 265,493,462 Acquisition Consideration Shares at the Consideration Share Price of HK\$0.413 per Share to the Subscriber (at the direction of the Vendor) upon Completion. To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the Subscriber is a company wholly-owned by the Vendor, and the Subscriber and the Vendor are third parties independent of the Company and the connected persons (as defined in the Listing Rules) of the Company. The 265,493,462 Acquisition Consideration Shares represent (i) about 15.79% of the existing issued share capital of the Company as at the date of this announcement; and (ii) about 13.58% of the issued share capital of the Company as enlarged by the allotment and issue of the Consideration Shares upon Completion.

Details of the Acquisition Consideration Shares are set out in the paragraph headed "The Consideration Shares" in this announcement.

The Consideration for the Acquisition was determined by SDAH and the Vendor after arm's length negotiations with reference to, among other factors, (i) the estimated value of the Assets of US\$50.00 million (equivalent to about HK\$388.00 million) as agreed between the parties; (ii) the total liabilities of the Holding Group upon Completion of about US\$18.60 million (equivalent to about HK\$144.34 million) representing the Loan; and (iii) the percentage of interest of the Assets to be acquired by SDAH pursuant to transactions contemplated under the SP Agreement.

Conditions precedent

Pursuant to the SP Agreement, Completion shall be conditional upon the satisfaction or (as the case may be) waiver or variation of the following conditions:

- (1) SDAH being satisfied with the results of its due diligence review of the Target Company, the Holding Group and the Assets;
- (2) the value of the Assets and the Hotel Business as appraised and set out in a valuation report on the Assets and the Hotel Business to be prepared by an independent qualified valuer in accordance with the requirements of the Listing Rules to be engaged by SDAH shall be at least US\$50 million;
- (3) the approval by the Shareholders of the SP Agreement and the transactions contemplated hereby (including without limitation the issue of the Acquisition Consideration Shares) and all other consents and acts required under the Listing Rules being obtained and completed or, as the case may be, the relevant waiver from compliance with any of such rules being obtained from the Stock Exchange;

- (4) the Listing Committee having granted listing of and permission to deal in the Acquisition Consideration Shares;
- (5) the Reorganisation having been completed to the satisfaction of SDAH;
- (6) all approvals, consents and acts (whether required under laws, codes, regulations, the Listing Rules or otherwise) for the purpose of or in connection with the Completion being obtained and completed by each of the Vendor and SDAH or, as the case may be, the relevant waiver from compliance with any of such provisions being obtained from the relevant authority (including without limitation the Stock Exchange);
- (7) no indication being received from the Stock Exchange that the transactions contemplated under the SP Agreement will be treated or, as the case may be, ruled by the Stock Exchange as a “reverse takeover” under the Listing Rules;
- (8) SDAH being satisfied that, as at Completion, there has not been any material adverse change in respect of the Target Company, the Holding Group and the Assets since the date of the SP Agreement.

SDAH shall have the right (but not obliged) to waive and/or vary any of the conditions as set out in (1), (7) and (8) above. If any of the conditions set out in (1), (2), (3), (4), (5) or (6) is not fulfilled or, as the case may be, waived or varied by SDAH on or before 12:00 noon on the Long Stop Date, or any of the conditions set out in (7) or (8) is not fulfilled or, as the case may be, waived or varied by SDAH on or before Completion, then (with prejudice to any other remedies available to the other party), the obligations of the parties shall cease and determine (save and except the provisions on confidentiality which shall continue to have full force and effect) and neither party shall have any claim under the SP Agreement against the other save in respect of any antecedent breaches of the SP Agreement.

As at the date of this announcement, all the conditions above have not yet been fulfilled.

Completion

Completion shall take place on the date falling on the seventh Business Day after the fulfillment or, where applicable, waiver and/or variation of the relevant conditions precedent to the SP Agreement. Upon Completion, the Target Company will become a wholly-owned subsidiary of the Company and the financial results of the Target Company will be consolidated into the accounts of the Group, while member(s) of the Holding Group will become associated company(ies) of the Company.

Other principal undertakings by the Vendor

Under the SP Agreement, the Vendor has also undertaken to SDAH that:

- (1) the Holding Company shall have EBITDA of at least US\$1.5 million (the “**Expected EBITDA**”) for each of the first full financial year immediately after the Completion and the financial year thereafter, failing which the Vendor shall, within seven Business Days after the date on which the audited financial statements for the relevant financial year is issued, compensate SDAH in cash for 45% of the amount of shortfall between the actual EBITDA and the Expected EBITDA for such relevant financial year(s); and
- (2) to give the lock-up undertaking in connection with the Acquisition Consideration Shares, details of which are set out in the paragraph headed “The Consideration Shares – Lockup undertaking” below.

AGENCY SERVICES IN RELATION TO THE ACQUISITION

The Board further announces that after close of trading hours on 30 March 2016, the Company and SDAH entered into the Agency Agreement with the Agent, pursuant to which SDAH has appointed the Agent as agent for SDAH and the Agent has agreed its appointment by SDAH to provide the Agency Services to SDAH.

The principal terms and conditions of the Agency Agreement are set out below.

The Agency Agreement

Date: 30 March 2016

- Parties:
- (1) the Company;
 - (2) SDAH, a wholly-owned subsidiary of the Company, as principal; and
 - (3) the Agent, as agent

To the best of the Directors’ knowledge, information and belief having made all reasonable enquiry, (i) the Agent is a limited liability company established in Hong Kong and is principally engaged in business consulting services; and (ii) the Agent and its ultimate beneficial owner(s) are independent of the Company and the connected persons (as defined in the Listing Rules) of the Company.

Agency Fee

In consideration of the provision of the Agency Services by the Agent to SDAH, subject to and conditional upon the Completion being taken place on or before the date falling the seventh Business Day after the Long Stop Date, SDAH agrees to pay to the Agent the Agency Fee of US\$423,900 (equivalent to about HK\$3.29 million), equivalent to 3% of the Consideration.

Subject to SDAH obtaining all requisite approvals (including any that may be required to be obtained from the Shareholders and the Stock Exchange) and in compliance with the applicable laws, rules and regulations (including the Listing Rules), the Agency Fee shall be paid and satisfied by the Company allotting and issuing 7,964,803 Agency Consideration Shares at the Consideration Share Price of HK\$0.413 per Share upon Completion. The 7,964,803 Agency Consideration Shares represent (i) about 0.47% of the existing issued share capital of the Company as at the date of this announcement; and (ii) about 0.41% of the issued share capital of the Company as enlarged by the allotment and issue of the Consideration Shares upon Completion.

Details of the Agency Consideration Shares are set out in the paragraph headed “The Consideration Shares” in this announcement.

The Agency Fee was determined by the Group and the Agent after arm’s length negotiations taking into account of the work conducted by the Agent to facilitate the Acquisition.

Term

The Agency Agreement shall take effect from the date thereof and shall remain in full force and effect unless it is terminated by SDAH by giving notice in writing to the Agent:

- (1) if the Completion does not take place before the date falling the seventh Business Day after the Long Stop Date; or
- (2) if the Agent is in breach of any terms set forth in the Agency Agreement.

THE CONSIDERATION SHARES

Impact on the shareholding structure of the Company

Assuming that there will be no change in the issued share capital of the Company before the Completion Date, the 273,458,265 Consideration Shares, comprising the Acquisition Consideration Shares and the Agency Consideration Shares, represent (i) about 16.26% of the existing issued share capital of the Company as at the date of this announcement; and (ii) about 13.99% of the issued share capital of the Company as enlarged by the allotment and issue of the Consideration Shares. The table below illustrates the shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately after issue of the Consideration Shares upon Completion:

	As at the date of this announcement		Immediately after the issue of the Consideration Shares upon Completion	
	No. of Shares	%	No. of Shares	%
Connected persons and substantial Shareholders				
Declan Investments Inc (Note 1)	455,691,153	27.10	455,691,153	23.31
Hillsong Global Limited (Note 2)	174,217,758	10.36	174,217,758	8.91
Mr. Goh Hoon Leum and his spouse (Note 3)	1,800,000	0.11	1,800,000	0.09
Mr. Yong Peng Tak (Note 4)	800,000	0.05	800,000	0.04
Mr. Leung Po Hon (Note 5)	200,000	0.01	200,000	0.01
Dato Poh Po Lian (Note 6)	23,310,000	1.39	23,310,000	1.19
Mr. Sneah Kar Loon (Note 7)	18,620,000	1.11	18,620,000	0.95
Mr. Lai Hock Meng (Note 8)	2,400,000	0.14	2,400,000	0.12
Mr. Io Rudy Cheok Kei (Note 9)	1,800,000	0.11	1,800,000	0.09
Subscriber (Note 10)	-	-	265,493,462	13.58
Sub-total:	678,838,911	40.37	944,332,373	48.31
Public				
The Agent	-	-	7,964,803	0.41
Other public Shareholders	<u>1,002,504,303</u>	<u>59.63</u>	<u>1,002,504,303</u>	<u>51.28</u>
Sub-total:	<u>1,002,504,303</u>	<u>59.63</u>	<u>1,010,469,106</u>	<u>51.69</u>
Total	<u>1,681,343,214</u>	<u>100.00</u>	<u>1,954,801,479</u>	<u>100.00</u>

Notes:

1. The entire issued share capital of Declan Investments Inc is owned by Mr. Yong Khong Yoong Mark.
2. The entire issued share capital of Hillsong Global Limited is owned by Ms. Zhang Lin Lin.

3. *Among these 1,800,000 Shares, 1,000,000 of which are beneficially owned by Mr. Goh Hoon Leum and 800,000 of which are owned by his spouse. Mr. GOH Hoon Leum is a connected person of the Company by virtue of him being an executive Director.*
4. *Mr. Yong Peng Tak is a connected person of the Company by virtue of him being an independent non-executive Director.*
5. *Mr. Leung Po Hon is a connected person of the Company by virtue of him being an independent non-executive Director.*
6. *Dato Poh Po Lian is a connected person of the Company by virtue of him being a former executive Director who has resigned on 11 June 2015.*
7. *Mr. Sneah Kar Loon is a connected person of the Company by virtue of him being a former executive Director who has resigned on 30 April 2015.*
8. *Mr. Lai Hock Meng is a connected person of the Company by virtue of him being a former executive Director who has resigned on 2 October 2015.*
9. *The shareholding information set out above is prepared based on the disclosure of interest notice (the “DI Notice”) filed by Mr. Io Rudy Cheok Kei on 16 July 2015 under Part XV of the SFO in respect of his interests in Shares and underlying Shares as of 14 July 2015, being the last DI Notice filed by him in respect of his interests in Shares and underlying Shares. Mr. Io Rudy Cheok Kei is a connected person of the Company by virtue of him being a former independent non-executive Director who has resigned on 16 July 2015.*
10. *The entire issued share capital of the Subscriber is ultimately beneficially owned by the Vendor.*

Specific mandate

The Consideration Shares will be issued under a specific mandate proposed to be obtained from the Shareholders at the SGM.

Ranking of the Consideration Shares

The Consideration Shares shall rank equally among themselves and pari passu in all respects with the Shares in issue on the date of allotment and issue of such Consideration Shares.

Lockup undertaking

Under the SP Agreement, upon Completion, a lockup deed shall be given by the Vendor and the Subscriber in favour of SDAH and the Company, pursuant to which the Vendor and the Subscriber will jointly and severally agree and undertake that:

- (a) he/it will not, and will procure that none of his/its associates or any company controlled by him/it or any of his/its associates, nominees or trustees holding in trust for him/it will, without the prior written consent of SDAH and the Company, at any time from the Completion Date and up to and including the date ending the three-month period after the date of such allotment (the “**Initial Lockup Period**”), (i) sell, give, assign, hypothecate, pledge, Encumber, grant a security interest in or otherwise dispose of, or suffer to exist (whether by operation of law or otherwise) any Encumbrance on, 50% or more of the Acquisition Consideration Shares or any right, title or interest therein or thereto; or (ii) enter into any swap or other arrangements that transfer the economic consequences of ownership of such Acquisition

Consideration Shares or interest; or (iii) enter into any transaction with the same economic effect as any transaction described in (i) or (ii) above;

- (b) he/it will not, and will procure that none of his/its associates or any company controlled by him/it or any of his/its associates, nominees or trustees holding in trust for him/it will, without the prior written consent of SDAH and the Company, at any time during the three-month period immediately following the expiry of the Initial Lockup Period, (i) sell, give, assign, hypothecate, pledge, Encumber, grant a security interest in or otherwise dispose of, or suffer to exist (whether by operation of law or otherwise) any Encumbrance on, 25% or more of the Acquisition Consideration Shares or any right, title or interest therein or thereto; or (ii) enter into any swap or other arrangements that transfer the economic consequences of ownership of such Acquisition Consideration Shares or interest; or (iii) enter into any transaction with the same economic effect as any transaction described in (i) or (ii) above.

Saved as disclosed above, there is no other restriction under the SP Agreement and the Agency Agreement in respect of the subsequent sale of the Consideration Shares.

Application for listing

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Consideration Shares to be issued upon Completion.

Consideration Share Price

The Consideration Share Price of HK\$0.413 per Consideration Share represents:

- (a) a discount of 30% to the closing price of HK\$0.590 per Share as quoted on the Stock Exchange on the date of the SP Agreement and the Agency Agreement;
- (b) a discount of about 25.18% to the average of the closing prices per Share of about HK\$0.552 for the last five consecutive trading days as quoted on the Stock Exchange up to and including the date of the SP Agreement and the Agency Agreement; and
- (c) a discount of about 26.51% to the average of the closing prices per Share of about HK\$0.562 for the last ten consecutive trading days as quoted on the Stock Exchange up to and including the date of the SP Agreement and the Agency Agreement.

The Consideration Share Price was arrived after arm's length negotiations between the Group with each of the Vendor and the Agent and was determined by the Company after taking into consideration of (i) the historical price and trading volume of the Shares; and (ii) the pricing of other companies listed on the Stock Exchange which issue shares as consideration for acquisition.

GENERAL INFORMATION ON THE GROUP

The principal activities of the Group are provision of services on management of electronic gaming equipment in Macau and Vietnam, provision of information technology services to gaming companies in Vietnam and manufacturing of packaging products for luxury goods in the People's Republic of China.

REASONS FOR AND BENEFITS OF THE ACQUISITION AND OBTAINING THE AGENCY SERVICES

Reference is made to the announcement (the “**2015 Announcement**”) of the Company dated 11 December 2015 in relation to, among others, the entering into of a management agreement (the “**Opera Management Agreement**”) between the owner of the Hotel and the Group on 10 December 2015 for the provision of the management services by the Group for prize-winning games in the electronic gaming machine club in the Hotel subject to the terms and conditions of the Opera Management Agreement.

As disclosed in the 2015 Announcement, the Group will expand its outsourced electronic gaming machine management business internationally to broaden the source of revenue of this business sector for the Group. It is expected that upon Completion of the Acquisition, the Group will have more direct involvement and management of the Hotel Business. The Directors believe that the Acquisition will enable the Group to have better control and management over the provision of management services contemplated under the Opera Management Agreement so as to maximise the revenue generated from the Opera Management Agreement and is in line with the Group's development strategy. As at the date of this announcement, the Hotel is still in the process of obtaining the requisite business certificate for the operation of prize-winning electronic games business.

As the Acquisition involves assets, properties and business in Vietnam, the fulfillment of the conditions precedents (including the due diligence exercise and the supervision of the progress of the Reorganisation), the negotiation and the Completion of the Acquisition involve liaison with the personnel in Vietnam and compliance with the relevant laws and regulations in Vietnam, the Directors consider that the Agent can facilitate the Group in further liaison with the Vendor in the due diligence exercise, keeping track of the status of the Reorganisation and the fulfillment of the other conditions precedents, and can assist the parties in the consummation of the Acquisition.

On the above basis, the Directors (including the independent non-executive Directors) consider that the respective terms of the SP Agreement and the Agency Agreement (including the consideration thereof) are fair and reasonable and in the interest of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As the applicable percentage ratios in respect of the Acquisition are more than 25% but less than 100%, the Acquisition constitutes a major transaction of the Company and is subject to the notification, announcement and Shareholders approval requirements under Chapter 14 of the Listing Rules.

As the applicable percentage ratios in respect of the transaction contemplated under the Agency Agreement are less than 5% and the Agency Fee will be satisfied by the allotment and issue of the Agency Consideration Shares for which listing will be sought, the transaction contemplated under the Agency Agreement constitutes a share transaction of the Company and is subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

The Company will convene the SGM to seek the Shareholders' approval for the Acquisition, the SP Agreement and the transactions contemplated thereunder, and the specific mandate for the allotment and issue of the Consideration Shares.

As at the date of this announcement and to the best of the Directors' knowledge, information and belief having made all reasonable enquiry, no Shareholder has any material interest in the Acquisition, the transaction contemplated under the SP Agreement and the issue and allotment of the Consideration Shares and is required to abstain from voting on the resolutions to be proposed at the SGM.

DESPATCH OF CIRCULAR

A circular containing, among others, details of the Acquisition, the SP Agreement and transactions contemplated thereunder, further information on the Target Company and the Assets and other information required to be disclosed under the Listing Rules, together with a notice convening the SGM, is currently expected to be despatched to the Shareholders on or before 21 April 2016.

Completion is conditional upon, among other things, the satisfaction of the conditions precedent as set out in the SP Agreement. Therefore, the Acquisition may or may not materialise. Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

TERMS USED IN THIS ANNOUNCEMENT

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

“Acquisition”	the acquisition of the Sale Shares by SDAH pursuant to the SP Agreement
“Acquisition Consideration Shares”	265,493,462 Shares to be allotted and issued by the Company to the Subscriber for payment of the Consideration upon Completion
“Agent”	Richoson Capital Limited, a company incorporated in Hong Kong with limited liability
“Agency Agreement”	the agreement entered into between the Company, SDAH and the Agent after close of trading hours on 30 March 2016 in relation to the Agency Services provided by the Agent to SDAH

“Agency Consideration Shares”	7,964,803 Shares to be allotted and issued by the Company to the Agent for payment of the Agency Fee upon Completion in accordance with the terms and conditions of the Agency Agreement
“Agency Fee”	US\$423,900 (equivalent to about HK\$3.29 million), being the service fee payable to the Agent in consideration of the provision of the Agency Services in accordance with the terms and conditions of the Agency Agreement
“Agency Services”	services to be provided by the Agent to SDAH in connection with the Acquisition by representing and assisting SDAH in fulfilling the conditions precedent to which the SP Agreement is subject to and in completing the Acquisition
“Assets”	collectively, the Hotel, the Land and all licenses (which are required for operation of the Hotel Business pursuant to applicable laws in Vietnam) of the Holding Group upon completion of the Reorganisation
“associates”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Business Day”	a day (other than Saturdays, Sundays, or public holidays and such other days where a “black” rainstorm warning or a tropical cyclone warning signal number 8 or above is in force in Hong Kong), on which licensed banks in Hong Kong are open for business throughout their normal business hours
“Company”	Success Dragon International Holdings Limited (勝龍國際控股有限公司), a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“Completion”	completion of the Acquisition in accordance with the terms and conditions of the SP Agreement
“Completion Date”	the date of Completion
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Consideration”	US\$14.13 million (equivalent to about HK\$109.65 million), being the purchase price for the Sale Shares payable by SDAH to the Vendor pursuant to the terms and conditions of the SP Agreement
	collectively, the Acquisition Consideration Shares and

“Consideration Share(s)”	the Agency Consideration Shares
“Consideration Share Price”	HK\$0.413, being the price per Consideration Share
“Director(s)”	director(s) of the Company
“EBITDA”	in respect of any completed fiscal period, the consolidated profit of the Holding Company for such fiscal period as shown in the then latest unaudited or (if prepared) audited consolidated profit and loss account of the Holding Company excluding exceptional items, before deducting (i) interest expenses and finance charges incurred by the Holding Company during such fiscal period; (ii) liability to tax of the Holding Company in respect of such profit for such fiscal period; (iii) depreciation and (iv) amortisation, but otherwise calculated in accordance with the Hong Kong Financial Reporting Standards or such other financial reporting standards as adopted by the Company from time to time for the preparation of its financial statements
“Encumbrance”	any mortgage, charge, pledge, lien (otherwise than arising by statute or operation of law), hypothecation, equities, adverse claims, or other encumbrances, priority or security interest, deferred purchase, title retention, leasing, sale-and-purchase, sale-and-leaseback arrangement over or in any property, assets or rights of whatsoever nature or interest or any agreement for any of same and “Encumber” shall be construed accordingly
“Group”	the Company and its subsidiaries
“Holding Company”	a company to be incorporated in Vietnam which shall be the sole legal and beneficial owner of the Assets upon completion of the Reorganisation
“Holding Group”	the Holding Company and any subsidiary of the Holding Company (if any) upon completion of the Reorganisation and as of the Completion Date
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Hotel”	One Opera Danang Hotel, a five-star hotel and commercial complex with basement car park located at 115 Nguyen Van Linh Street, Nam Doung Ward, Hai Chau District, Da Nang City, Vietnam, including the lands and buildings on which the Hotel is erected, and all the fixtures, fittings and furnishings thereon as at the date of the SP Agreement

“Hotel Business”	the business of the Hotel, including its business of operating game centre(s) for electronic gaming machine club in the Hotel
“Land”	a piece of land located at Nam Duong Ward, Hai Chau District, Da Nang City, Vietnam with land use rights no. X 040947 issued by Dang Nang People’s Committee dated 24 April 2003 for hotel construction usage or such other compatible use as may approved by the relevant authorities in Vietnam
“Listing Committee”	the listing sub-committee of the directors of the Stock Exchange elected or appointed in accordance with the articles of association of the Stock Exchange
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“Loans”	several loans owed by the Vendor or companies controlled by him with an aggregate principal amount of about US\$18.6 million for financing the acquisition and development of the Assets, to be novated to and assumed by the Holding Company as part of the Reorganisation
“Long Stop Date”	30 September 2016, or such later date as the parties of the SP Agreement may agree
“Reorganisation”	the asset reorganisation to be undertaken prior to Completion, pursuant to which (i) the Holding Company will be incorporated by the Vendor in Vietnam and will be legally and beneficially owned as to 45% by the Target Company and 55% by the Vendor; (ii) the Holding Company will acquire and will become the sole legal and beneficial owner of the Assets, free from all encumbrances and third party rights; and (iii) the rights and obligations of Loans and any contracts or arrangements entered into by the predecessor(s) of the Assets before completion of the Reorganisation shall be novated to, and assumed by, any members of the Holding Group
“Sale Shares”	such number of the shares of the Target Company as shall represent the entire issued share capital in the Target Company immediately before Completion
“SDAH”	Success Dragon Asset Holdings Limited, a limited liability company established in Hong Kong and a wholly-owned subsidiary of the Company

“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“SGM”	the special general meeting of the Company to be convened to consider and, if thought fit, to approve the Acquisition, the SP Agreement and the transactions contemplated thereunder and the issue of the Consideration Shares
“Share(s)”	shares of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	shareholder(s) of the Company
“SP Agreement”	the agreement entered into between the SDAH and the Vendor after close of trading hours on 30 March 2016 in relation to the Acquisition
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber”	a company wholly owned by the Vendor and nominated by the Vendor to subscribe for the Acquisition Consideration Shares in accordance with the terms and conditions of the SP Agreement
“subsidiary”	a company which is for the time being and from time to time a subsidiary (within the meaning of the Companies Ordinance, Chapter 622 of the Laws of Hong Kong) of another company
“Takeovers Code”	the Code on Takeovers and Mergers in Hong Kong
“Target Company”	Vabis Building Consultants & Engineering Ltd, a company incorporated under the laws of the British Virgin Islands with limited liability and is wholly owned by the Vendor
“Vendor”	Mr. My Ngoc Nguyen, a Vietnamese resident being the sole legal and beneficial owner of the Target Company immediately before the Completion
“Vietnam”	the Socialist Republic of Vietnam
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“US\$”	United States dollars, the lawful currency of the United States
“%”	per cent.

In this announcement, for illustration purpose only, amounts quoted in US\$ has been converted into HK\$ at the rate of US\$1.00 to HK\$7.76. Such exchange rate has been used, where applicable, for purposes of illustration only and does not constitute a representation that any amounts were or may have been exchanged at this or any other rates or at all.

By order of the Board
**Success Dragon International
Holdings Limited**
Carlos Luis Salas Porrás
Chairman and executive Director

Hong Kong, 30 March 2016

As at the date of this announcement, the executive Directors are Mr. Carlos Luis SALAS PORRAS and Mr. GOH Hoon Leum; the independent non-executive Directors are Mr. YONG Peng Tak, Mr. ER Kwong Wah and Mr. LEUNG Po Hon.