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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)**

### **SUPPLEMENTAL DEED IN RELATION TO THE ACQUISITION OF 45% INTEREST IN A 5-STAR HOTEL AND LAND FOR HOTEL DEVELOPMENT IN VIETNAM**

On 6 April 2016 (after trading hours), SDAH and the Vendor entered into the Supplemental Deed pursuant to which the number of Acquisition Consideration Shares shall be increased from 265,493,462 Shares to 281,150,769 Shares.

The Acquisition Consideration Shares represent (i) about 16.67% of the existing issued share capital of the Company as at the date of this announcement; and (ii) about 14.23% of the issued share capital of the Company as enlarged by the allotment and issue of the Consideration Shares upon Completion.

**The Board wishes to remind Shareholders and potential investors of the Company that 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.**

### **SUPPLEMENTAL DEED DATED 6 APRIL 2016**

Reference is made to the announcement (the “**Announcement**”) of Success Dragon International Holdings Limited (the “**Company**”) dated 30 March 2016 in relation to, among others, the acquisition of the entire issued share capital in Vabis Building Consultants & Engineering Ltd. Unless otherwise defined, capitalized terms used herein shall have the same meanings as those defined in the Announcement.

The Board announces that on 6 April 2016 (after trading hours), SDAH and the Vendor entered into a supplemental deed (the “**Supplemental Deed**”) pursuant to which the number of Acquisition Consideration Shares to be issued by the Company shall be increased from 265,493,462 Shares to 281,150,769 Shares. As such, the issue price per Acquisition Consideration Share has been reduced from HK\$0.413 to HK\$0.39 per Share, which represents:

- (a) a discount of about 43.48% to the closing price of HK\$0.690 per Share as quoted on the Stock Exchange on the date of the Supplemental Deed;
- (b) a discount of about 33.90% to the closing price of HK\$0.590 per Share as quoted on the Stock Exchange on the date of the SP Agreement;
- (c) a discount of about 29.35% 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
- (d) a discount of about 30.60% 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.

The Acquisition Consideration Shares represent (i) about 16.67% of the existing issued share capital of the Company as at the date of this announcement; and (ii) about 14.23% of the issued share capital of the Company as enlarged by the allotment and issue of the Consideration Shares upon Completion.

#### **REASONS FOR THE ENTERING INTO OF THE SUPPLEMENTAL DEED**

During the stage of negotiation of the terms of the SP Agreement, it was the understanding of the parties to the SP Agreement that the issue price of the Acquisition Consideration Shares shall be set at a discount to the then closing price of the Shares at or around the date of signing of the SP Agreement. On the date of signing of the SP Agreement, the closing price of the Shares was HK\$0.59, while during the five trading days immediately before the date of the SP Agreement, the closing prices were between HK\$0.53 to HK\$0.56. As such, the closing price of the Shares on the date of the SP Agreement represents a premium of about 11.32 % to the closing price of the previous trading day of HK\$0.53, and a premium of about 8.46% to the average closing price of HK\$0.544 for the last five consecutive trading days as quoted on the Stock Exchange immediately before the date of the SP Agreement.

Given the substantial increase of closing price of the Shares on the date of SP Agreement, the Vendor has indicated his unwillingness to proceed with the Acquisition. For the reasons stated in the paragraph headed "Reasons for and benefits of the Acquisition and obtaining the Agency Services" in the Announcement, the Board believes that the Acquisition is in the interest of the Company. As such, the Board agreed to re-negotiate the issue price of the Acquisition Consideration Shares with the Vendor. The Board has compared the pricing of other companies listed on the Stock Exchange which issued shares as consideration for acquisition and noted that the discount of the issue price is still within the range of discount given by the comparables.

On the above basis, the Directors (including the independent non-executive Directors) consider that the terms of the Supplemental Deed are fair and reasonable and in the interest of the Company and the Shareholders as a whole.

Save as disclosed above, there is no change to the other terms of the SP Agreement. There is no change to the terms of the Agency Agreement.

## IMPACT ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

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 (assuming that there will be no change in the issued share capital of the Company before the Completion Date):

	As at the date of this announcement		Immediately after the issue of the Consideration Shares upon Completion	
	No. of Shares	%	No. of Shares	%
<b>Connected persons and substantial Shareholders</b>				
Declan Investments Inc (Note 1)	455,691,153	27.02	455,691,153	23.07
Hillsong Global Limited (Note 2)	174,217,758	10.33	174,217,758	8.82
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	1.38	23,310,000	1.18
Mr. Sneah Kar Loon (Note 7)	18,620,000	1.10	18,620,000	0.94
Mr. Lai Hock Meng (Note 8)	7,200,000	0.43	7,200,000	0.36
Mr. Io Rudy Cheok Kei (Note 9)	1,800,000	0.11	1,800,000	0.09
Subscriber (Note 10)	-	-	281,150,769	14.23
Sub-total:	683,638,911	40.54	964,789,680	48.83
<b>Public</b>				
The Agent	-	-	7,964,803	0.40
Other public Shareholders	1,002,864,303	59.46	1,002,864,303	50.77
Sub-total:	1,002,864,303	59.46	1,010,829,106	51.17
Total	<u>1,686,503,214</u>	<u>100.00</u>	<u>1,975,618,786</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. *The shareholding information set out above is prepared based on the information provided by Dato Poh Po Lian and to the best of the Directors' knowledge, information and belief having made all reasonable enquiries. 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. *The shareholding information set out above is prepared based on the information provided by Mr. Sneah Kar Loon and to the best of the Directors' knowledge, information and belief having made all reasonable enquiries. 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. *The shareholding information set out above is prepared based on the information provided by Mr. Lai Hock Meng and to the best of the Directors' knowledge, information and belief having made all reasonable enquiries. 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.*

**The Board wishes to remind Shareholders and potential investors of the Company that 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.**

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

Hong Kong, 6 April 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.*