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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**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 securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in Success Dragon International Holdings Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser(s) or transferee(s) or to the bank, stockbroker or licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

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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)**

**PROPOSED RE-ELECTION OF DIRECTORS,  
PROPOSED APPOINTMENT OF  
AN INDEPENDENT NON-EXECUTIVE DIRECTOR,  
PROPOSED CHANGE OF AUDITOR,  
PROPOSALS FOR GENERAL MANDATES TO ISSUE AND  
REPURCHASE SHARES,  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

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The notice convening the annual general meeting of Success Dragon International Holdings Limited to be held at Causeway Bay Function Room, 6/F, L'hotel Causeway Bay Harbour View Hong Kong, 18 King's Road, Causeway Bay, Hong Kong on 29 August 2016, Monday, at 3:00 p.m. or at any adjournment thereof is set out on pages 17 to 21 of this circular.

Whether or not you intend to attend the annual general meeting, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Company's branch share registrar in Hong Kong, Tricor Secretaries Limited at, Level 22, Hopewell Centre 183 Queen's Road East, Hong Kong as soon as possible and in any event no less than 48 hours before the time for holding the annual general meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting at the annual general meeting or any adjournment thereof should you so wish.

The English text of this circular shall prevail over the Chinese text for the purpose of interpretation.

15 July 2016

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## DEFINITIONS

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

|                         |                                                                                                                                                                                                                                                                                                                                    |
|-------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| “AGM”                   | the annual general meeting of the Company to be convened and held at Causeway Bay Function Room, 6/F, L’hotel Causeway Bay Harbour View Hong Kong, 18 King’s Road, Causeway Bay, Hong Kong on 29 August 2016, Monday, at 3:00 p.m., the notice of which is set out on pages 17 to 21 of this circular, and any adjournment thereof |
| “Associates”            | has the same meaning ascribed to it under the Listing Rules                                                                                                                                                                                                                                                                        |
| “Board”                 | the board of Directors                                                                                                                                                                                                                                                                                                             |
| “Bye-law(s)”            | the bye-law(s) of the Company, as amended from time to time                                                                                                                                                                                                                                                                        |
| “close associates”      | has the same meaning ascribed to it under the Listing Rules                                                                                                                                                                                                                                                                        |
| “Companies Act”         | the Companies Act 1981 of Bermuda, as amended from time to time                                                                                                                                                                                                                                                                    |
| “Company”               | Success Dragon International Holdings Limited, a company incorporated in Bermuda with limited liability and whose securities are listed on the Main Board of the Stock Exchange                                                                                                                                                    |
| “core connected person” | has the same meaning ascribed to it under the Listing Rules                                                                                                                                                                                                                                                                        |
| “Director(s)”           | the director(s) of the Company                                                                                                                                                                                                                                                                                                     |
| “Extension Mandate”     | a general and unconditional mandate proposed to be granted to the Directors to the effect that the number of Shares repurchased under the Repurchase Mandate will be added to the total number of Shares which may be allotted and issued under the General Mandate                                                                |

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## DEFINITIONS

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|---------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| “General Mandate”         | a general and unconditional mandate proposed to be granted to the Directors to exercise the power of the Company to allot, issue or otherwise deal with such number of Shares up to a maximum of 20% of the number of issued Shares as at the date of passing the relevant resolution at the AGM |
| “Group”                   | the Company and its subsidiaries                                                                                                                                                                                                                                                                 |
| “Hong Kong”               | the Hong Kong Special Administrative Region of the People’s Republic of China                                                                                                                                                                                                                    |
| “INED”                    | Independent non-executive Director                                                                                                                                                                                                                                                               |
| “Latest Practicable Date” | 11 July 2016, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein                                                                                                                                      |
| “Listing Rules”           | the Rules Governing the Listing of Securities on the Stock Exchange                                                                                                                                                                                                                              |
| “Repurchase Mandate”      | a general and unconditional mandate proposed to be granted to the Directors to enable them to repurchase Shares up to a maximum of 10% of the number of issued Shares as at the date of passing the relevant resolution at the AGM                                                               |
| “SFO”                     | the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong                                                                                                                                                                                                                       |
| “Share(s)”                | share(s) of HK\$0.01 each in the share capital of the Company                                                                                                                                                                                                                                    |
| “Shareholder(s)”          | holder(s) of the Shares                                                                                                                                                                                                                                                                          |
| “Stock Exchange”          | The Stock Exchange of Hong Kong Limited                                                                                                                                                                                                                                                          |
| “Takeovers Code”          | The Hong Kong Code on Takeovers and Mergers                                                                                                                                                                                                                                                      |
| “HK\$”                    | Hong Kong dollar(s), the lawful currency of Hong Kong                                                                                                                                                                                                                                            |
| “%”                       | per cent.                                                                                                                                                                                                                                                                                        |

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## LETTER FROM THE BOARD

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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)**

*Executive Directors:*

Carlos Luis SALAS PORRAS

*(Chairman and Chief Executive Officer)*

GOH Hoon Leum

*Registered Office:*

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

*Independent Non-executive Directors:*

YONG Peng Tak

ER Kwong Wah

LEUNG Po Hon

*Principal Place of Business in*

*Hong Kong:*

Unit 3503B-5, 35/F

148 Electric Road

North Point

Hong Kong

15 July 2016

*To Shareholders*

Dear Sir/Madam,

**PROPOSED RE-ELECTION OF DIRECTORS,  
PROPOSED APPOINTMENT OF  
AN INDEPENDENT NON-EXECUTIVE DIRECTOR,  
PROPOSED CHANGE OF AUDITOR,  
PROPOSALS FOR GENERAL MANDATES TO ISSUE AND  
REPURCHASE SHARES,  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

#### INTRODUCTION

The purpose of this circular is to provide you with information regarding certain resolutions to be proposed at the AGM for the approval of, among other matters:–

- (1) the proposed re-election of the retiring Directors;
- (2) the proposed appointment of an independent non-executive Director;

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## LETTER FROM THE BOARD

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- (3) the proposed change of auditor; and
- (4) the granting of each of the General Mandate, the Repurchase Mandate and the Extension Mandate.

### PROPOSED RE-ELECTION OF DIRECTORS

Pursuant to Bye-law 87, at each annual general meeting, one-third of the Directors for the time being (or, if their number is not a multiple of three (3), the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director shall be subject to retirement at least once every three years. Also, any Director appointed pursuant to Bye-law 86(2) shall not be taken into account in determining which particular Directors or the number of Directors who are to retire by rotation.

Pursuant to Bye-law 86(2), any Director appointed by the Board shall hold office only until the next following general meeting of the Company (in the case of filling a casual vacancy) or until the next following annual general meeting (in the case of an addition to the Board), and shall then be eligible for re-election at that meeting. Accordingly, Mr. LEUNG Po Hon who was appointed by the Board as independent non-executive Director with effect from 16 July 2015 shall retire from office at the AGM. Mr. LEUNG has expressed his intention to retire as independent non-executive Director upon conclusion of the AGM and will not offer himself for re-election due to his other business engagement. Mr. Leung has confirmed that he has no disagreement with the Board and there are no any matters concerning his retirement that need to be brought to the attention of the Shareholders. The Board would like to take this opportunity to thank Mr. Leung for his valuable contributions and services to the Group during his tenure of office. Following Mr. Leung's retirement, he will cease to be the chairman of the audit committee and members of the remuneration committee, nomination committee and the independent board committee of the Company. Subject to the approval by the Shareholders at the AGM, the Board proposes to appoint Mr. MA Wing Yun Bryan as independent non-executive Director to fill up the vacancy as a result of the retirement of Mr. Leung with effect from the conclusion of the AGM. Please refer to the paragraph headed "Proposed appointment of an independent non-executive Director" below for details of the proposed appointment.

Pursuant to Bye-law 87(1), GOH Hoon Leum, an executive Director, and ER Kwong Wah, an independent non-executive director, will retire as Directors at the AGM and being eligible, will offer themselves for re-election at the AGM. The biographical details of Mr. GOH Hoon Leum and Mr. ER Kwong Wah are set out in Appendix I to this circular.

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## LETTER FROM THE BOARD

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### PROPOSED APPOINTMENT OF AN INDEPENDENT NON-EXECUTIVE DIRECTOR

Pursuant to Bye-laws 86(1) and 88, the Board has resolved to recommend Mr. MA Wing Yun Bryan to be elected as an independent non-executive Director with effect from the date of the AGM. The biographical details of Mr. Ma are set out in Appendix I to this circular.

### PROPOSED CHANGE OF AUDITOR

Reference is made to the announcement of the Company dated 29 June 2016 in relation to the retirement of ZHONGHUI ANDA CPA Limited (“ZHONGHUI”) as auditor of the Company upon conclusion of the AGM after ZHONGHUI’s taking into account of, among others, the level of audit fees and the availability of its internal resources in light of the current work flows and the recommendation from the audit committee of the Company and the Board for the appointment of Messrs. Deloitte Touche Tohmatsu (“Deloitte”) as the auditor of the Company to fill the vacancy following the retirement of ZHONGHUI at the AGM and to hold office from the date of the AGM until the conclusion of the next annual general meeting of the Company (the “**Proposed Appointment**”) subject to approval by the Shareholders at the AGM.

The Board is of the view that an international audit firm could provide better support and more auxiliary services to the Group to cope with its business development strategies. Having regard to the resources and experience of Deloitte, the Directors consider that it would be in the best interests of the Company and the Shareholders as a whole to appoint Deloitte as the new auditor of the Company.

ZHONGHUI has confirmed in writing that it was not aware of any matters that should be brought to the attention of the Shareholders in connection with its retirement. The Board has also confirmed that there were no relevant matters in respect of the Proposed Appointment that should be brought to the attention of the Shareholders. The Board and the Audit Committee have further confirmed that there were no disagreements or unresolved matters between the Company and ZHONGHUI regarding ZHONGHUI’s retirement.

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## LETTER FROM THE BOARD

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### PROPOSALS FOR GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES

The following ordinary resolutions, among others, will be proposed at the AGM in order to grant to the Directors the new general and unconditional mandates to exercise the powers of the Company to issue and repurchase Shares:

- (i) An ordinary resolution (resolution No. 6) to grant to the Directors the General Mandate to authorize them to allot, issue and otherwise deal with the Shares up to maximum of 20% of the number of issued Shares as at the date of passing of such resolution at the AGM;
- (ii) An ordinary resolution (resolution No. 7) to grant to the Directors the Repurchase Mandate to authorize them to repurchase Shares on the Stock Exchange up to a maximum of 10% of the number of issued Shares as at the date of the AGM; and
- (iii) Conditional upon the passing of resolutions No. 6 and No. 7 as stated above, an ordinary resolution (resolution No. 8) to grant to the Directors the Extension Mandate to extend the General Mandate by an amount representing the aggregate number of Shares repurchased by the Company under the Repurchase Mandate provided that such number of Shares shall not exceed 10% of the total number of issued Shares as the date of the AGM.

Each of the General Mandate, the Repurchase Mandate and the Extension Mandate will end on the earliest of (i) the conclusion of the next annual general meeting of the Company following the AGM; or (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws, the Companies Act or any applicable law to be held; or (iii) when the authority given to the Directors hereunder is revoked or varied by ordinary resolution of Shareholders in a general meeting of the Company prior to the next annual general meeting of the Company.

On the assumption that 1,686,873,214 Shares were in issue as at the Latest Practicable Date and no further Shares will be issued or repurchased after the Latest Practicable Date and up to the AGM, the Company would be allowed to issue a maximum of 337,374,642 Shares under the General Mandate and to repurchase a maximum of 168,687,321 Shares under the Repurchase Mandate.



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## LETTER FROM THE BOARD

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Shareholders are invited to refer to the notice of AGM for details of the abovementioned ordinary resolutions. An explanatory statement, as required by the Listing Rules containing all information in connection with the Repurchase Mandate which is reasonably necessary to enable the Shareholders to make an informed decision as to whether to vote for or against the resolution in respect of the Repurchase Mandate at the AGM, is also set out in Appendix II to this circular.

### AGM

The notice convening the AGM is set out in Appendix III to this circular. A form of proxy for the AGM is enclosed with this circular. If you do not intend to be present at the AGM, you are requested to complete the form of proxy in accordance with the instructions printed thereon as soon as possible and in any event no less than 48 hours before the time appointed for the holding of the AGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting at the AGM or any adjournment thereof should you so wish.

Pursuant to Rule 13.39(4) of the Listing Rules, all votes of the Shareholders at the general meeting must be taken by poll save as resolution relates purely to a procedural or administrative matter which may be voted on by a show of hands. The Company will announce the results of the poll of the AGM in the manner prescribed under Rule 13.39(5) of the Listing Rules.

### RECOMMENDATION

The Directors believe that the ordinary resolutions to be proposed at the AGM are in the best interests of the Company and its Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of all the resolutions to be proposed at the AGM.

On behalf of the Board  
**Carlos Luis SALAS PORRAS**  
*Chairman and Chief Executive Officer*

*Set out below are details of the Directors who will retire at the conclusion of the AGM and will be proposed to be re-elected at the AGM:*

GOH Hoon Leum (“**Mr. Goh**”), aged 66, has been appointed as an executive Director of the Company since 16 July 2015. Mr. Goh had been an independent non-executive Director of the Company from 22 March 2013 to 15 July 2015. Mr. Goh is also an accredited Resident Technical Officer (Building and Civil Engineering Works) of Singapore. He has more than 35 years of experience in construction, property development consultancy and real estate investment. He specialized in property development management advisory and he is a licensed Appraiser in Lands & Buildings. Mr. Goh has a Bachelor’s degree in Land Economics from University of Technology, Sydney and a Master’s degree in Property from University of Newcastle, Australia. He is the fellow member of Singapore Institute of Surveyors and Valuers and a member of Australia Property Institute. He was conferred a Public Service Medal (PBM) in 1996 by the President of The Republic of Singapore.

Mr. Goh is an independent non-executive director of Wellcall Holdings Berhad, a company listed on the Bursa Malaysia, the Malaysian Stock Exchange. Save as disclosed above, Mr. Goh did not hold any directorships in other listed companies in Hong Kong or overseas in the three years preceding the Latest Practicable Date.

Mr. Goh was not related to any Directors, senior management, substantial or controlling shareholders (as defined in the Listing Rules) of the Company as at the Latest Practicable Date.

As at the Latest Practicable Date, Mr. Goh was interested in 16,060,000 Shares, representing approximately 0.95% of the total number of issued Shares within the meaning of Part XV of the SFO and 14,260,000 Shares of which represented the underlying Shares granted to him by the Company under the share option scheme adopted by the Company. The aforementioned share options remained outstanding as at the Latest Practicable Date. Save as disclosed herein, Mr. Goh had no other interests in the Shares, underlying shares and debenture of the Company within the meaning of Part XV of the SFO as at the Latest Practicable Date.

Pursuant to the service agreement entered into between the Company and Mr. Goh, Mr. Goh was appointed as an executive Director on 16 July 2015 and will continue thereafter until a notice of termination is served by either party of not less than three months. Mr. Goh's appointment is however subject to retirement and re-election by Shareholders pursuant to the Bye-laws. Mr. Goh is entitled to receive a director's emolument of HK\$1,677,000 per annum which was determined by the Board with reference to the recommendation of the Remuneration Committee of the Company.

There is no information which is disclosable nor is/was he involved in any matters required to be disclosed pursuant to any of the requirements under Rule 13.51(2) of the Listing Rules.

There are no other matters concerning Mr. Goh that need to be brought to the attention of the Shareholders.

ER Kwong Wah ("**Mr. Er**"), aged 70, has been appointed as an independent non-executive Director of the Company since 2 July 2014. Mr. Er had been a civil servant of Singapore Government for 27 years and had served in various ministries such as the Ministry of Defense, the Public Service Commission, Ministry of Finance, Ministry of Education and the Ministry of Community Development. He held Permanent Secretary appointment at the Ministry of Education from 1987 to 1994 and at the Ministry of Community Development until his retirement in 1998. Even after his retirement from the Singapore civil service, he was actively involved in the education sector as a governor of United World College of South East Asia, a trustee of SIM University, and a Governor of Raffles Institution. During his term in the Singapore Government Service, he held numerous additional appointments. These include Council Member of the National University of Singapore; Board Member of Singapore Polytechnic; Ngee Ann Polytechnic; Council Member of National Institute of Education; Member of Board of Trustee, Institute of South East Asian Studies; Deputy Chairman of Singapore Sports Council and Board Director of several Temasek linked companies. Mr. Er obtained a Bachelor's degree with First-Class Honors in Electrical Engineering at the University of Toronto, Canada, in 1970 and a Master's degree in Business Administration from the Manchester Business School, University of Manchester in 1978. He was conferred the Public Administration Medal (Gold) by the Singapore Government and the Commandeur dans l'Ordre des Palmes Academiques by the Government of France in 1990 and 1991 respectively. He was also conferred the Public Service Medal (2004) and the Public Service Star (2009) by the Government of Singapore for his contributions in serving the community. In 2013, he was a recipient of the Service to Education Award from the Ministry of Education in Singapore.

Mr. Er is currently an executive director of East Asia Institute of Management and an independent director of each of COSCO Corporation (Singapore) Ltd, CFM Holdings Ltd, China Essence Group Ltd, Eucon Holding Ltd, GKE Corporation Limited, China Sky Chemical Fiber Co., Ltd and China Environment Ltd which are all listed companies on the Singapore Exchange Securities Trading Limited (“SGX”). Mr. Er was an independent director of China Oilfield Technology Services Group Limited which was a listed company on the SGX (delisted on 14 August 2015) from 29 August 2007 to 14 August 2015. Save as disclosed above, Mr. Er did not hold any directorships in other listed companies in Hong Kong or overseas in the three years preceding the Latest Practicable Date.

Mr. Er was not related to any directors, senior management, substantial or controlling shareholders (as defined in the Listing Rules) of the Company as at the Latest Practicable Date.

As at the Latest Practicable Date, Mr. Er was interested in 1,000,000 Shares, representing approximately 0.06% of the total number of issued Shares within the meaning of Part XV of the SFO. Such Shares were underlying Shares granted to him by the Company under the share option scheme adopted by the Company. The aforementioned share options remained outstanding as at the Latest Practicable Date. Save as disclosed herein, Mr. Er had no other interests in the Shares, underlying shares and debenture of the Company within the meaning of Part XV of the SFO as at the Latest Practicable Date.

Pursuant to the service agreement entered into between the Company and Mr. Er, Mr. Er was appointed as an independent non-executive Director on 2 July 2014 and will continue thereafter until a notice of termination is served by either party of not less than three months. Mr. Er’s appointment is however subject to retirement and re-election by Shareholders pursuant to the By-laws. Mr. Er is entitled to receive a director’s emolument of HK\$200,000 per annum which was determined by the Board with reference to the recommendation of the Remuneration Committee of the Company.

There is no information which is disclosable nor is/was he involved in any matters required to be disclosed pursuant to any of the requirements under Rule 13.51(2) of the Listing Rules.

There are no other matters concerning Mr. Er that need to be brought to the attention of the Shareholders.

Set out below are details of MA Wing Yun Bryan (“**Mr. Ma**”) who is proposed to be appointed as an independent non-executive Director at the AGM:

Mr. Ma, aged 50, has accumulated over 20 years of experience in the areas of audit, financial and management accounting and taxation. He is currently the finance director of Union Sun International Group Limited, an investment holding company with affiliates dealing in property development and the building and operation of hydro-electric power plants in the People’s Republic of China. Mr. Ma obtained a Professional Diploma in Accounting from the Polytechnic of Hong Kong (currently known as the Hong Kong Polytechnic University). He is an associate member of the Hong Kong Institute of Certified Public Accountants.

Mr. Ma is currently an independent non-executive director of China Zenith Chemical Group Limited which is a listed company on the Main Board of the Stock Exchange. Save as disclosed above, Mr. Ma did not hold any directorships in other listed companies in Hong Kong or overseas in the three years preceding the Latest Practicable Date.

Mr. Ma was not related to any Directors, senior management, substantial or controlling Shareholders (as defined in the Listing Rules) of the Company as at the Latest Practicable Date.

Mr. Ma does not have any interest in the Shares, underlying Shares or debentures of the Company within the meaning of Part XV of the SFO as at the Latest Practicable Date.

Mr. Ma is proposed to be appointed as an independent non-executive Director with effect from the date of AGM and will continue thereafter until a notice of termination is served by either party of not less than three months. Mr. Ma’s appointment is however subject to normal retirement and re-election by Shareholders pursuant to the Bye-laws. The emolument of Mr. Ma is proposed to be HK\$120,000 per annum by the Board with reference to the recommendation of the Remuneration Committee of the Company.

There is no information which is disclosable nor is/was he involved in any matters required to be disclosed pursuant to any of the requirements under paragraphs (h) to (v) of Rule 13.51(2) of the Listing Rules.

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## **APPENDIX II      EXPLANATORY STATEMENT ON THE REPURCHASE MANDATE**

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*This Appendix serves as an explanatory statement, as required by the Listing Rules, to provide the Shareholders with all the information reasonably necessary to enable them to make an informed decision on whether to vote for or against the ordinary resolution to approve the grant of the Repurchase Mandate to the Directors:*

### **LISTING RULES RELATING TO THE REPURCHASE OF SHARES**

The Listing Rules permit companies whose primary listings are on the Stock Exchange to repurchase their securities on the Stock Exchange and any other stock exchange on which securities of the company are listed and such exchange is recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange subject to certain restrictions. Among such restrictions, the Listing Rules provide that the shares of such company must be fully paid up and all repurchases of shares by such company must be approved in advance by an ordinary resolution of shareholders, either by way of a general mandate or by specific approval of a particular transaction.

### **SHARE CAPITAL**

As at the Latest Practicable Date, the Company has 1,686,873,214 Shares in issue and issued share capital of HK\$16,868,732.14.

Subject to the passing of the proposed resolution granting the Repurchase Mandate and on that basis and assuming no further Shares will be issued or repurchased prior to the AGM, the exercise of the Repurchase Mandate in full would result in up to 168,687,321 Shares representing share capital of HK\$1,686,873.21 being repurchased by the Company, representing 10% of the issued Shares of the Company.

### **REASON FOR THE REPURCHASE**

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 in the market. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net value of the Company and its assets and/or its 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.

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## APPENDIX II EXPLANATORY STATEMENT ON THE REPURCHASE MANDATE

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### FUNDING OF REPURCHASE

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with its Bye-laws, the Companies Act and the applicable laws of Bermuda and the Listing Rules. The repurchase of Shares under the Repurchase Mandate will be financed from the Company's internal resources.

There might be a material adverse impact on the working capital and/or gearing position of the Company as compared with the position as at 31 March 2016 (being the date of its latest published audited consolidated financial statements), in the event that the proposed Repurchase Mandate was to be exercised in full at any time during the proposed repurchase period. However, 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 requirements or the gearing levels of the Company which in the opinion of the Directors are from time to time appropriate for the Company.

### SHARE PRICES

The highest and lowest prices at which the Shares have been traded on the Stock Exchange during each of the twelve months preceding and up to the Latest Practicable Date were as follows:

|                                                        | Shares            |                  |
|--------------------------------------------------------|-------------------|------------------|
|                                                        | Highest<br>(HK\$) | Lowest<br>(HK\$) |
| <b>2015</b>                                            |                   |                  |
| July                                                   | 1.200             | 0.425            |
| August                                                 | 0.950             | 0.560            |
| September                                              | 1.270             | 0.650            |
| October                                                | 1.490             | 1.050            |
| November                                               | 1.400             | 0.950            |
| December                                               | 1.450             | 1.120            |
| <b>2016</b>                                            |                   |                  |
| January                                                | 1.160             | 0.660            |
| February                                               | 0.740             | 0.405            |
| March                                                  | 0.660             | 0.500            |
| April                                                  | 0.790             | 0.570            |
| May                                                    | 0.820             | 0.680            |
| June                                                   | 0.710             | 0.540            |
| July (up to and including the Latest Practicable Date) | 0.680             | 0.550            |

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## **APPENDIX II      EXPLANATORY STATEMENT ON THE REPURCHASE MANDATE**

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### **DISCLOSURE OF INTERESTS**

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their respective close associates (as defined in the Listing Rules), have any present intention to sell any Shares to the Company under the Repurchase Mandate if the same is approved by the Shareholders.

No core connected person of the Company has notified the Company that he/she/it has a present intention to sell Shares to the Company, or has undertaken not to do so, in the event that the Repurchase Mandate is approved by Shareholders.

### **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 power of the Company to make repurchase under the Repurchase Mandate in accordance with the Listing Rules, the Bye-laws of the Company, and the applicable laws of Bermuda.

### **EFFECT OF THE TAKEOVERS CODE**

If as a result of a share repurchase 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 of voting rights for the purposes of Rule 32 of the Takeovers Code. As a result, a Shareholder or group of Shareholders acting in concert (as defined in the Takeovers Code) 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.



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**APPENDIX II EXPLANATORY STATEMENT ON THE REPURCHASE MANDATE**

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As at the Latest Practicable Date, the register of the Shareholders maintained by the Company pursuant to Section 336 under Part XV of the SFO showed that the Company has been notified of the following interests, being 5% or more of the Company's issued share capital:

| <b>Name of Shareholder</b>                | <b>Number of Shares and underlying shares held</b> | <b>Approximate percentage of existing shareholding</b> | <b>Approximate percentage of shareholding if the Repurchase Mandate is exercised in full</b> |
|-------------------------------------------|----------------------------------------------------|--------------------------------------------------------|----------------------------------------------------------------------------------------------|
| YONG Khong Yoong Mark ( <i>Note 1</i> )   | 445,041,153                                        | 26.38%                                                 | 29.31%                                                                                       |
| HWANG Mei Chen Emily ( <i>Note 1</i> )    | 445,041,153                                        | 26.38%                                                 | 29.31%                                                                                       |
| Declan Investments Inc. ( <i>Note 1</i> ) | 421,871,153                                        | 25.01%                                                 | 27.79%                                                                                       |
| ZHANG Lin Lin ( <i>Note 2</i> )           | 174,217,758                                        | 10.33%                                                 | 11.48%                                                                                       |
| Hillsong Global Limited ( <i>Note 2</i> ) | 174,217,758                                        | 10.33%                                                 | 11.48%                                                                                       |

1. 421,871,153 Shares were held by Declan Investment Inc., which was 100% controlled by YONG Khong Yoong Mark. YONG Khong Yoong Mark was deemed to be interested in all the Shares in which Declan Investment Inc. was interested by virtue of the SFO. Therefore, 445,041,153 Shares held by YONG Khong Yoong Mark represent 421,871,153 Shares held by Declan Investment Inc. and 23,170,000 Shares personally held by YONG Khong Yoong Mark. HWANG Mei Chen Emily, who is the spouse of YONG Khong Yoong Mark, was also deemed to be interested in all the Shares in which YONG Khong Yoong Mark was interested by virtue of the SFO.
2. 174,217,758 Shares were held by Hillsong Global Limited, which was 100% controlled by ZHANG Lin Lin. ZHANG Lin Lin was deemed to be interested in all the Shares in which Hillsong Global Limited was interested by virtue of the SFO.

In the event that the Directors exercise in full the Repurchase Mandate, on the basis that no new Shares are issued or repurchased prior to the AGM and assuming that there would not be changes in the issued share capital of the Company prior to the repurchase of Shares and that Declan Investments Inc. would not dispose of its Shares nor acquire additional Shares prior to any repurchase of Shares, the shareholding of Declan Investments Inc. and YONG Khong Yoong Mark will be increased from approximately 25.01% and 26.38% to approximately 27.79% and 29.31% of the issued share capital of the Company, respectively, and such increases will not give rise to an obligation to make a mandatory offer under Rule 26 of the Takeovers Code.

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**APPENDIX II      EXPLANATORY STATEMENT ON THE REPURCHASE MANDATE**

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The Directors do not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, cause any Shareholders or group of Shareholders acting in concert to become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code. Save as aforesaid, the Directors are not aware of any consequence which would arise under the Takeovers Code as a consequence of any repurchase pursuant to the Repurchase Mandate.

The Directors have no intention to exercise the Repurchase Mandate to such an extent that will result in the number of Shares in hands of public falling below the prescribed minimum percentage of 25% of the entire issued share capital of the Company.

**SHARE REPURCHASE MADE BY THE COMPANY**

During the previous six months immediately preceding the Latest Practicable Date, the Company had not repurchased, sold or redeemed any of the Shares (whether on the Stock Exchange or otherwise).

**SUCCESS DRAGON INTERNATIONAL HOLDINGS LIMITED****勝龍國際控股有限公司***(Incorporated in Bermuda with limited liability)***(Stock Code: 1182)**

**NOTICE IS HEREBY GIVEN** that the annual general meeting of Success Dragon International Holdings Limited (the “**Company**”) will be held at Causeway Bay Function Room, 6/F, L’hotel Causeway Bay Harbour View Hong Kong, 18 King’s Road, Causeway Bay, Hong Kong on 29 August 2016, Monday, at 3:00 p.m. to consider and, if thought fit, to pass, with or without amendments, the resolution No. 1 to 8 as ordinary resolutions:

**ORDINARY RESOLUTIONS**

1. To receive and consider the audited consolidated financial statements, the directors’ reports and the auditor’s reports of the Company for the year ended 31 March 2016.
2. To re-elect the following directors of the Company (the “**Directors**”):
  - (i) Mr. Goh Hoon Leum as an executive Director; and
  - (ii) Mr. Er Kwong Wah as an independent non-executive Director;
3. To appoint Mr. Ma Wing Yun Bryan as an independent non-executive Director.
4. To authorise the board of directors (the “**Board**”) of the Company to fix the Directors’ remuneration.
5. To appoint Messrs. Deloitte Touche Tohmatsu as the new auditor of the Company and to authorize the Board to fix their remuneration.

## 6. “THAT

- (a) subject to paragraph (c) below, pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and all other applicable laws, the exercise by the directors (the “**Directors**”) of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares (the “**Shares**”) in the share capital of the Company and to make or grant offers, agreements and options, including bonds, warrants, debentures, notes and other securities convertible into Shares, which would or might require the exercise of such powers be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall authorise the Directors during the Relevant Period (as defined hereinafter) to make or grant offers, agreements and options, including bonds, warrants, debentures, notes and other securities convertible into Shares, which would or might require the exercise of such powers after the end of the Relevant Period;
- (c) the total number of Shares allotted and issued or agreed conditionally or unconditionally to be allotted and issued (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue (as hereinafter defined) or (ii) the exercise of any option scheme or similar arrangement for the time being adopted for the grant or issue to participants of the Company, its subsidiaries, and its ultimate holding company (if any) which is also listed on the Stock Exchange and its subsidiaries, of shares or right to acquire Shares, shall not exceed 20% of the total number of issued Shares as at the date of the passing of 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 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 Bye-laws of the Company or any applicable law to be held; and

- (iii) the date of the revocation or variation of such mandate granted under this resolution by an ordinary resolution of the shareholders of the Company in general meeting; and

“**Rights Issue**” means an offer of Shares, or offer or issue of warrants, options or other securities giving rights to subscribe for Shares open for a period fixed by the Directors to holders of Shares or any class of Shares whose names appear on the register of members of the Company on a fixed record date in proportion to their then holdings of such Shares (subject to such exclusion 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, or the requirements of any recognised regulatory body or any stock exchange in any territory outside Hong Kong).”

7. “**THAT**

- (a) subject to paragraph (b) below, the exercise by the directors (the “**Directors**”) of the Company during the Relevant Period (as hereinafter defined) of all powers of the Company to repurchase the shares (the “**Shares**”) in the share capital of the Company on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) or on any other stock exchange on which the Shares may be listed and recognised by the Securities and Futures Commission of Hong Kong (the “**SFC**”) and the Stock Exchange for this purpose, and subject to and in accordance with the rules and regulations of the SFC, the Stock Exchange and all applicable laws and the requirements as amended from time to time in this regard, be and is hereby generally and unconditionally approved;
- (b) the total number of Shares which may be repurchased or agreed to be repurchased by the Company pursuant to the approval in paragraph (a) above during the Relevant Period shall not exceed 10% of the total number of issued Shares as at the date of the passing of this resolution and the said approval shall be limited accordingly; and

(c) for the purposes of this resolution:

“**Relevant Period**” means the period from the date of 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 Bye-laws of the Company or any other applicable law to be held; and
- (iii) the date of revocation or variation of such mandate granted by this resolution by an ordinary resolution of the shareholders of the Company in general meeting.”

8. “**THAT** conditional upon resolutions numbered 6 and 7 above being passed, the unconditional general mandate granted to the Directors to allot, issue and deal with additional shares of the Company pursuant to resolution numbered 6 above be and it is hereby extended by the addition thereto of the number of Shares repurchased by the Company under the authority granted pursuant to resolution numbered 7 above, provided that such number of Shares shall not exceed 10% of the total number of issued Shares as at the date of the passing of this resolution.”

On behalf of the Board  
**Carlos Luis SALAS PORRAS**  
*Chairman and Chief Executive Officer*

Hong Kong, 15 July 2016

*Registered Office:*

Clarendon House  
2 Church Street  
Hamilton HM 11  
Bermuda

*Principal Place of Business in Hong Kong:*

Unit 3503B-5, 35/F  
148 Electric Road  
North Point  
Hong Kong

*Notes:*

1. A member of the Company entitled to attend and vote at the above meeting (the “**Meeting**”) is entitled to appoint in written form one or, if he is the holder of two or more shares (the “**Shares**”) of the Company, more proxy(ies) to attend and vote instead of him. A proxy need not be a member of the Company.
2. In order to be valid, the instrument appointing a proxy must be in writing under the hand of the appointor or of his/her attorney duly authorized in writing or, if the appointor is a corporation, either under its seal or under the hand of an officer or attorney duly authorized to sign the same, and must be delivered to the office of the Hong Kong share registrar and transfer office of the Company (the “**Hong Kong Share Registrar**”), Tricor Secretaries Limited at Level 22, Hopewell Centre 183 Queen’s Road East, Hong Kong not less than forty-eight (48) hours before the time appointed for holding the Meeting or any adjournment thereof.
3. Delivery of an instrument appointing a proxy shall not preclude a member of the Company from attending and voting in person at the Meeting or any adjournment thereof and in such event, the instrument appointing a proxy shall be deemed to be revoked.
4. In the case of joint holders of Share, any one of such joint holders may vote at the Meeting, either in person or by proxy, in respect of such Share as if he 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 in respect of the joint holding.
5. In relation to resolution numbered 6 above, approval is being sought from the Shareholders for the grant to the Directors of a general mandate to authorise the allotment and issue of Shares.
6. In relation to resolution numbered 7 above, the Directors wish to state that they will exercise the powers conferred thereby to purchase Shares in circumstances, which they deem appropriate for the benefit of the Shareholders.

*As at the date of this notice, 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.*