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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)

UPDATE ON PROVISION OF OUTSOURCED ELECTRONIC GAMING MACHINE MANAGEMENT SERVICES IN VIETNAM

This announcement is made pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

Reference is made to the announcement of Success Dragon International Holdings Limited (the “**Company**”) dated 11 December 2015 in relation to, among others, the provision of outsourced electronic gaming machine management services in Vietnam (the “**Announcement**”). Unless otherwise defined, capitalized terms used herein shall have the same meanings as those defined in the Announcement.

The Board would like to inform its shareholders and potential investors of the latest development of the Agreements. Both Le Meridien and Opera have encountered unexpected difficulties in obtaining the requisite business certificates for operation of electronic gaming machine business (“**Business Certificates**”), which is one of the conditions precedent to the effectiveness and continuation of the Le Meridien Business Cooperation Contract and Opera Management Agreement (the “**Agreements**”) respectively. Certain attempts have been made by the Company for obtaining the Business Certificates, however, it is expected that the Business Certificates are unlikely to be obtained in the foreseeable future. Also, there is a core change of Vietnamese laws in respect to electronic gaming machine introduced by end of 2016 which may affect the enforcement of the Agreements. Given the foregoing, the latest statuses of the Agreements are as follows:

LE MERIDIEN

Further to the entering into the Le Meridien Business Cooperation Contract and taking into account the conditions precedent thereto are yet to be fulfilled, the Group and Le Meridien are in the process of discussing and negotiating on a new approach for the cooperation.

OPERA

Further to the expiry of extension of time granted by the Group to Opera for obtaining the Business Certificate, the Group, after due and careful consideration, has decided to terminate the Opera Management Agreement and a notice of termination was issued to Opera after trading hours on 11 January 2017, with immediate effect (the “**Termination**”).

The Board considers that the Termination has no material adverse impact on the business operation and financial position of the Group. Further announcement will be made by the Company in the event of any further material development regarding the Agreements as and when appropriate.

By Order of the Board
**Success Dragon International Holdings
Limited**
Carlos Luis SALAS PORRAS
Chairman and executive Director

Hong Kong, 11 January 2017

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. ZHENG Jian Peng.