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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)

ANNOUNCEMENT PURSUANT TO RULE 13.09 OF THE LISTING RULES AND RULE 3.7 OF THE TAKEOVERS CODE AND INSIDE INFORMATION PROVISIONS UNDER THE SECURITIES AND FUTURES ORDINANCE IN RELATION TO CESSATION OF POSSIBLE TRANSACTION

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 (the “**Listing Rules**”) and Rule 3.7 of The Hong Kong Code on Takeovers and Mergers (the “**Takeovers Code**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the announcement of Success Dragon International Holdings Limited (the “**Company**”) dated 17 May 2017 (the “**Announcement**”) in relation to, among other things, a possible disposal of a substantial shareholder of the Company’s total interests in the Company to another shareholder of the Company (the “**Possible Disposal**”) which may result in a change in control of the Company. Unless otherwise stated, capitalised terms used herein shall have the same meanings as those defined in the Announcement.

On 2 June 2017, the Board has been informed by the Vendor that the Potential Purchaser has decided not to proceed with the acquisition of the Target Shares from the Vendor and his associate. As such, the parties to the MOU ceased negotiations in relation to the Possible Disposal and the MOU immediately lapsed and is of no further effect. In addition, the Board has been advised by the Vendor that no formal or legally binding agreement in relation to the Possible Disposal has been entered into between the Vendor and the Potential Purchaser as at the date of this announcement.

For the purpose of the Takeovers Code, the offer period is deemed to have closed as at the date of this announcement.

The Board considers that the termination of negotiation in respect of the Possible Disposal would have no adverse impact on the financial and operational position of the Company and its subsidiaries.

Shareholders and potential investors of the Company are advised to continue to exercise caution when dealing in the shares of the Company, and if they are in any doubt about their position, they should consult their professional adviser(s).

By order of the Board
Success Dragon International Holdings Limited
Li Xuehua
Chairperson and Executive Director

Hong Kong, 2 June 2017

As at the date of this announcement, the executive directors of the Company are Ms. LI Xuehua, Mr. JIANG Dan and Mr. GOH Hoon Leum; the independent non-executive directors of the Company are Mr. YONG Peng Tak, Mr. ER Kwong Wah, Mr. ZHENG Jian Peng and Dr. JIA Limin.

All the directors of the Company jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.