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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)

VOLUNTARY ANNOUNCEMENT IN RELATION TO IMPLEMENTATION OF BLOCKCHAIN TECHNOLOGIES AND PURCHASES OF TRADE RECEIVABLES

This announcement is made by Success Dragon International Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) on a voluntary basis to keep its shareholders and potential investors informed of the latest business development of the Group.

As stated in the Company’s annual report for the year ended 31 March 2018, the Group has been exploring the application of blockchain technology to complement and diversify its business operations. The Group has been developing and implementing a blockchain application to identify and track assets with a future payment obligation.

As a step to implement the blockchain technology, the board (the “**Board**”) of directors (the “**Directors**”) of the Company has approved the purchase by the Company’s wholly-owned subsidiary, Success Dragon Operations Limited (“**SDO**”) of four trade receivables with a total size of RMB3.97 million (the “**Purchase**”). Accordingly, SDO has entered into an agreement to purchase onshore trade receivables from an independent commercial factoring company in China and the debtor of these trade receivables is a wholly-owned subsidiary of a large Chinese state-owned enterprise in the construction sector. The trade receivables are scheduled to be repaid by the end of March 2019. Upon repayment, these receivables will generate revenue in the form of interest.

The Board believes that such assets, which are financial in nature and contain the required repayment obligations, are suitable for testing the Group’s blockchain technology. Furthermore, the Board also believes that these assets will help the Group to gain knowledge of China onshore trade receivable financing as a potential source of business diversification.

In order to develop the required cross-border channel for the Purchase and also for the acquisition of similar financial assets in the future, SDO has entered into an agreement with Qianhai Financial Assets Exchange Company Limited (“QEX”) in this regard. QEX was established in Shenzhen and facilitates cross-border transactions of selected financial assets for offshore companies.

GENERAL

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, QEX and the seller of the trade receivables and their ultimate beneficial owner(s) are third parties independent of the Company and its connected persons (as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”)).

As none of the applicable percentage ratios in respect of the transactions above exceed 5%, the Purchase does not constitute a notifiable transaction under Chapter 14 of the Listing Rules.

By order of the Board
Success Dragon International Holdings Limited
KWAN Chun Wai Roy
Chairman, executive Director and chief executive officer

Hong Kong, 12 November 2018

As at the date of this announcement, the Board comprises two executive Directors, namely Mr. KWAN Chun Wai Roy and Mr. DING Lei; and four independent non-executive Directors, namely Mr. AU Kin Wah, Mr. CHI Dong Eun, Mr. DENG Yougao and Ms. WONG Chi Yan.