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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)

DISCLOSEABLE TRANSACTION ACQUISITION OF ENTIRE ISSUED SHARE CAPITAL OF THE TARGET COMPANY

THE ACQUISITION

The Board wishes to announce that on 27 December 2018 (after trading hours), the Vendor and the Purchaser entered into the Sale and Purchase Agreement, pursuant to which the Purchaser has agreed to acquire and the Vendor has agreed to sell the entire issued share capital in the Target Company at the Consideration in cash. Upon completion of the Acquisition, the Target Company shall become a wholly owned subsidiary of the Company and its financial results will be consolidated into the Group's consolidated financial statements.

The Completion took place forthwith upon the execution of the Sale and Purchase Agreement and in accordance with the terms and conditions of the Sale and Purchase Agreement.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Acquisition exceed 5%, but are all less than 25%, the Acquisition constitutes a discloseable transaction for the Company under the Listing Rules and is therefore subject to reporting and announcement requirements pursuant to Chapter 14 of the Listing Rules.

INTRODUCTION

The Board wishes to announce that on 27 December 2018 (after trading hours), the Vendor and the Purchaser entered into the Sale and Purchase Agreement, pursuant to which the Purchaser has agreed to acquire and the Vendor has agreed to sell the entire issued share capital in the Target Company from the Vendor at the Consideration in cash.

SALE AND PURCHASE AGREEMENT

Summarised below are the principal terms of the Sale and Purchase Agreement:

Date: 27 December 2018 (after trading hours)

Parties: (a) the Vendor; and
(b) the Purchaser

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, as at the date of the Sale and Purchase Agreement, the Vendor is a third party independent of the Company and connected persons (as defined in the Listing Rules) of the Company.

Nature of the transaction and assets to be acquired

Pursuant to the Sale and Purchase Agreement, the Purchaser has agreed to acquire and the Vendor has agreed to sell the entire issued share capital in the Target Company. Upon completion of the Acquisition, (a) the Purchaser shall own the entire issued share capital in the Target Company; and (b) the Target Company shall become a wholly-owned subsidiary of the Company and its financial results will be consolidated into the Group's consolidated financial statements.

Consideration

Subject to the terms and conditions of the Sale and Purchase Agreement, the total Consideration is HK\$400,000, which shall be settled in cash by the Purchaser upon Completion.

Basis of Consideration

The Consideration was arrived at after arm's length negotiations between the Purchaser and the Vendor and was determined with reference to the valuation report appraised by an independent valuer (the "Valuer"). The Valuer had adopted the market approach to value the Target Company.

Based on the foregoing, the Directors are of the view that the Consideration is fair and reasonable. The Consideration shall be funded by the internal resources of the Group.

Completion

The Completion took place forthwith upon the execution of the Sale and Purchase Agreement and in accordance with the terms and conditions of the Sale and Purchase Agreement.

Upon Completion, the Target Company shall become a wholly-owned subsidiary of the Company and its financial results will be consolidated into the Group's consolidated financial statements.

INFORMATION OF THE PARTIES

The principal business activities of the Group are provision of outsourced business process management for electronic gaming machines in Macau and information technology services business. The principal activity of the Company is investment holding.

The Vendor is a Hong Kong permanent resident.

INFORMATION OF THE TARGET COMPANY

The Target Company is a company incorporated in Hong Kong with limited liability and a licensed money lender under the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong). Its principal activity is money lending.

Financial information of the Target Company

Set forth below is the financial information of the Target Company provided by the Vendor, for the period from 27 September 2016 (date of incorporation of the Target Company) to 31 March 2018:

**For the period from
27 September 2016
to 31 March 2018**

Revenue	—
Net losses before taxation	92,830
Net losses after taxation	92,830

The audited total net liabilities of the Target Company as at 31 March 2018 was approximately HK\$82,830.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Acquisition will help the Group to leverage the Target Company's experience in money lending and bring synergies to the Group's information technology services business with a focus on fintech, thereby enhancing the profitability of the Group's business as a whole. The Directors are of the view that the terms of the Sale and Purchase Agreement are fair and reasonable and the entering into of the Sale and Purchase Agreement is in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Acquisition exceed 5%, but are all less than 25%, the Acquisition constitutes a discloseable transaction for the Company under the Listing Rules and is therefore subject to reporting and announcement requirements pursuant to Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms have the following meanings:

“Acquisition”	the acquisition of the entire issued share capital in the Target Company under the Sale and Purchase Agreement;
“Board”	the board of Directors;
“Company”	Success Dragon International Holdings Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the main board of the Stock Exchange;
“Completion”	completion of the Acquisition which shall be effected upon execution of the Sale and Purchase Agreement in accordance with the terms and conditions of the Sale and Purchase Agreement;
“Consideration”	HK\$400,000, being the consideration of the Acquisition;
“Director(s)”	the director(s) of the Company;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the People's Republic of China;

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Purchaser”	the Company;
“Sale and Purchase Agreement”	the sale and purchase agreement dated 27 December 2018 and entered into between the Purchaser and the Vendor in relation to the Acquisition;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Target Company”	Powerful Finance Limited (威力財務有限公司), a company incorporated in Hong Kong with limited liability; and
“Vendor”	Wong Kiam Seng (黃添勝)

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

Hong Kong, 27 December 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.