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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)

RESULTS OF THE RIGHTS ISSUE ON THE BASIS OF THREE (3) RIGHTS SHARES FOR EVERY TWO (2) SHARES HELD ON THE RECORD DATE

Reference is made to the prospectus of Success Dragon International Holdings Limited (the “**Company**”) dated 27 May 2022 (the “**Prospectus**”) in relation to the Rights Issue on the basis of three (3) Rights Shares for every two (2) Shares held on the Record Date and the announcement of the Company dated 15 June 2022 in relation to, among others, the number of Unsubscribed Rights Shares subject to the Compensatory Arrangements. Unless otherwise specified, capitalised terms used herein shall have the same meanings as those defined in the Prospectus.

RESULTS OF THE RIGHTS ISSUE, THE COMPENSATORY ARRANGEMENTS AND THE UNDERWRITING AGREEMENT

The Board is pleased to announce that as all the conditions set out in the Placing Agreement and the Underwriting Agreement had been fulfilled and the Placing Agreement and the Underwriting Agreement were not terminated by the Placing Agent and the Underwriter respectively, the Rights Issue became unconditional on Monday, 20 June 2022.

The total number of Rights Shares offered under the Rights Issue is 209,711,740 (the “**Offered Shares**”). As at 4:00 p.m. on Monday, 13 June 2022, being the Latest Time for Acceptance, a total of 11 valid applications had been received for a total of 75,168,569 Rights Shares, representing 35.8% of the Offered Shares. Pursuant to the Irrevocable Undertaking, Mr. Liu and Stone Steps had respectively subscribed for 45,178,041 and 12,225,000 Rights Shares provisionally allotted to them. The remaining 134,543,171 Unsubscribed Rights Shares, representing approximately 64.2% of the Offered Shares, were subject to the Compensatory Arrangements.

As at 4:00 p.m. on Monday, 20 June 2022, being the latest time of placing of the Unsubscribed Rights Shares, no Unsubscribed Rights Shares had been successfully placed. Therefore, there is no Net Gain available to be distributed to the No Action Shareholders under the Compensatory Arrangements.

As a result of the under-subscription of the Rights Shares and the Placing, there are a total of 134,543,171 Untaken Rights Shares, representing approximately 64.2% of the Offered Shares. Mr. Liu has designated Stone Steps to take up all the 134,543,171 Untaken Rights Shares in accordance with the terms of the Underwriting Agreement. Based on the 134,543,171 Untaken Rights Shares underwritten by Mr. Liu (and taken up by Stone Steps), together with the 45,178,041 and 12,225,000 Right Shares provisionally allotted to, and subscribed by Mr. Liu and Stone Steps, the aggregate number of Shares held by Mr. Liu and Stone Steps represents approximately 65.9% of the enlarged issued share capital of the Company upon completion of the Rights Issue.

The gross proceeds raised from the Rights Issue were approximately HK\$71.3 million and the net proceeds from the Rights Issue after deducting the relevant expenses were approximately HK\$66.5 million. As disclosed in the Prospectus, the Company intends to apply the net proceeds from the Rights Issue to construct the New Plant for expansion of its existing business operations.

EFFECT OF THE RIGHTS ISSUE ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

The following table sets out the shareholding structures of the Company immediately before and after completion of the Rights Issue (the “**Completion**”), assuming no new issue or repurchase of Shares up to Completion save for the Rights Issue:

	Immediately before Completion		Immediately after Completion	
	<i>Number of Shares</i>	<i>%</i>	<i>Number of Shares</i>	<i>%</i>
Mr. Liu	30,118,694	21.6%	75,296,735	21.6%
Stone Steps (<i>Note 1</i>)(<i>Note 2</i>)	8,150,000	5.8%	154,918,171	44.3%
Mr. Liu and parties acting in concert or presumed acting in concert with him	38,268,694	27.4%	230,214,906	65.9%
Other public Shareholders	101,539,133	72.6%	119,304,661	34.1%
Total	139,807,827	100.0%	349,519,567	100.0%

Notes:

1. Stone Steps is wholly and beneficially owned by Mr. Liu, who is a substantial shareholder of the Company.
2. Mr. Liu has designated Stone Steps to take up the 134,543,171 Untaken Right Shares in accordance with the terms of the Underwriting Agreement.
3. Certain figures and percentages included in the above table have been subjected to rounding.

DESPATCH OF SHARE CERTIFICATES

The share certificates for the fully-paid Rights Shares are expected to be posted by Monday, 27 June 2022 to those entitled thereto by ordinary post at their own risks.

COMMENCEMENT OF DEALINGS IN THE RIGHTS SHARE

Dealings in the fully-paid Rights Shares on the Stock Exchange are expected to commence at 9:00 a.m. on Tuesday, 28 June 2022.

By order of the Board
Success Dragon International Holdings Limited
DING Lei
Chairman, Chief Executive Officer and Executive Director

Hong Kong, 24 June 2022

As at the date of this announcement, the executive Directors are Mr. DING Lei and Ms. DENG Ganghui; and the independent non-executive Directors are Mr. DENG Yougao, Ms. WONG Chi Yan and Mr. CHONG Lok Man.

All Directors jointly and severally accept full responsibility for the accuracy of 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.