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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)**

### **INSIDE INFORMATION IMPAIRMENT LOSS IN RESPECT OF INVESTMENT**

This announcement is made by Success Dragon International Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) 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 the Inside Information Provisions (as defined in 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 announcements of the Company dated 24 February 2017 and 24 March 2017 in relation to, among others, investment by the Company in Primus Power Corporation (“**Primus**”), a company incorporated in the United States. As at the date of this announcement, the Group owns 73,251,487 Series E Preferred Shares in Primus (the “**Primus Shares**”), representing approximately 20.8% of the enlarged issued share capital of Primus upon full conversion of all issued preferred shares but before the exercise of options granted under the employees share option plan and warrants issued by Primus.

The board (the “**Board**”) of directors of the Company wishes to inform the Shareholders and potential investors of the Company that based on the preliminary draft of a valuation report on Primus prepared by an independent valuer, it is expected that the Group may record an impairment loss ranging from approximately US\$10 million to approximately US\$15 million (equivalent to approximately HK\$78 million to approximately HK\$117 million) in respect of the Primus Shares. As a result of the impairment loss, it is expected that the total comprehensive loss attributable to equity holders of the Company for the year ended 31 March 2018 will be impacted accordingly. Since the impairment is non-cash in nature, there will be no immediate effect on the operating cash flow of the Group.

As the valuation report is still being finalised by the independent valuer, the information contained in this announcement is only based on a preliminary assessment of the information currently available to the management. Such information has not been agreed with the auditors of the Company and the amount of impairment loss that may be recorded by the Group may be different from what is disclosed herein. Shareholders and potential investors of the Company should read carefully the final results announcement of the Company for the year ended 31 March 2018 which is expected to be published in late June 2018.

**Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.**

By order of the Board

**Success Dragon International Holdings Limited**

**TAN Teng Hong**

*Chairman, chief executive officer and executive director*

Hong Kong, 15 June 2018

*As at the date of this announcement, the board comprises two executive directors, namely Mr. TAN Teng Hong and Mr. DING Lei; and five independent non-executive directors, namely Mr. YONG Peng Tak, Mr. CHUNG Yuk Lun, Mr. CHI Dong Eun, Mr. DENG Yougao and Ms. WONG Chi Yan.*