
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other licensed securities dealer, bank manager, solicitor, professional accountant or other professional advisers.

If you have sold or transferred all your shares in **Success Dragon International Holdings Limited**, you should at once hand this circular and the accompanying form of proxy to the purchaser(s) or transferee(s) or to the bank, stockbroker or licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

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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)

(1) PROPOSAL FOR RE-ELECTION OF DIRECTORS
**(2) PROPOSALS FOR GENERAL MANDATES TO ISSUE AND
REPURCHASE SHARES**
**(3) PROPOSAL FOR REFRESHMENT OF SCHEME MANDATE LIMIT
AND**
(4) NOTICE OF ANNUAL GENERAL MEETING

The notice convening the annual general meeting of Success Dragon International Holdings Limited to be held at Room 1703–1704, World-wide House, 19 Des Voeux Road Central, Hong Kong on Friday, 13 September 2019, at 3:00 p.m. or at any adjournment thereof is set out on pages 16 to 20 of this circular. A form of proxy for use at the annual general meeting is enclosed with this circular.

Whether or not you intend to attend the annual general meeting, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Company's branch share registrar in Hong Kong, Tricor Secretaries Limited at, Level 54, Hopewell Centre 183 Queen's Road East, Hong Kong as soon as possible and in any event no less than 48 hours before the time for holding the annual general meeting (i.e. by 3:00 p.m. on Wednesday, 11 September 2019) or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting at the annual general meeting or any adjournment thereof should you so wish and in such event, the proxy shall be deemed to be revoked.

All times and dates specified herein refer to Hong Kong local times and dates.

The English text of this circular shall prevail over the Chinese text for the purpose of interpretation.

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DEFINITIONS

In this circular, the following expressions have the following meanings unless the context requires otherwise:

“AGM”	the annual general meeting of the Company to be convened and held at Room 1703–1704, World-wide House, 19 Des Voeux Road Central, Hong Kong on Friday, 13 September 2019 at 3:00 p.m., the notice of which is set out on pages 16 to 20 of this circular, and any adjournment thereof
“associates”	has the same meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Bye-law(s)”	the bye-law(s) of the Company, as amended from time to time
“Close associates”	has the same meaning ascribed to it under the Listing Rules
“Companies Act”	the Companies Act 1981 of Bermuda, as amended from time to time
“Company”	Success Dragon International Holdings Limited, a company incorporated in Bermuda with limited liability and whose securities are listed on the Main Board of the Stock Exchange
“core connected person”	has the same meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Extension Mandate”	a general and unconditional mandate proposed to be granted to the Directors to the effect that the number of Shares repurchased under the Repurchase Mandate will be added to the total number of Shares which may be allotted and issued under the General Mandate
“General Mandate”	a general and unconditional mandate proposed to be granted to the Directors to exercise the power of the Company to allot, issue or otherwise deal with such number of Shares up to a maximum of 20% of the number of issued Shares as at the date of passing the relevant resolution at the AGM
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“INED”	independent non-executive Director
“Latest Practicable Date”	19 July 2019, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein

DEFINITIONS

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Outstanding Options”	the outstanding Share Options which remain unexercised as at the Latest Practicable Date
“Proposed Scheme Refreshment”	the proposed refreshment of the Scheme Mandate Limit under the Share Option Scheme at the AGM
“Repurchase Mandate”	a general and unconditional mandate proposed to be granted to the Directors to enable them to repurchase Shares up to a maximum of 10% of the number of issued Shares as at the date of passing the relevant resolution at the AGM
“Scheme Mandate Limit”	the maximum number of Shares which may be allotted and issued upon exercise of all Share Options to be granted by the Board under the Share Option Scheme, being 10% of the Shares in issue as at the date when the resolution for refreshing the then scheme mandate limit of the Share Option Scheme was passed (i.e. 14 September 2017)
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“Share(s)”	share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Share Option(s)”	the share option(s) granted to the participants under the Share Option Scheme to subscribe for the Shares in accordance with the Share Option Scheme
“Share Option Scheme”	the share option scheme adopted by the Company on 28 September 2012 and amended on 8 August 2014 and 15 July 2015, respectively
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Substantial Shareholder”	has the same meaning ascribed to it in the Listing Rules
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“%”	per cent.

LETTER FROM THE BOARD

SUCCESS DRAGON INTERNATIONAL HOLDINGS LIMITED

勝龍國際控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 1182)

Executive Directors:

KWAN Chun Wai Roy

(Chairman and Chief Executive Officer)

DING Lei

Independent Non-executive Directors:

CHI Dong Eun

DENG Yougao

WONG Chi Yan

AU Kin Wah

Registered Office:

Clarendon House 2

Church Street

Hamilton HM 11

Bermuda

Principal Place of Business

in Hong Kong:

Unit 403A, 4/F., Block B

Sea View Estate

4-6 Watson Road

North Point

Hong Kong

25 July 2019

To Shareholders

Dear Sir or Madam,

(1) PROPOSAL FOR RE-ELECTION OF DIRECTORS
(2) PROPOSALS FOR GENERAL MANDATES TO ISSUE AND
REPURCHASE SHARES
(3) PROPOSAL FOR REFRESHMENT OF SCHEME MANDATE LIMIT
AND
(4) NOTICE OF ANNUAL GENERAL MEETING

1. INTRODUCTION

The purpose of this circular is to provide you with information regarding certain resolutions to be proposed at the AGM for the approval of, *inter alia*, the proposed re-election of the retiring Directors, the granting of each of the General Mandate, the Repurchase Mandate, the Extension Mandate and the proposed refreshment of Scheme Mandate Limit.

2. PROPOSED RE-ELECTION OF DIRECTORS

Reference is made to the announcement of the Company dated 2 October 2018 in relation to, *inter alia*, the appointment of Mr. AU Kin Wah as INED, with effect from 30 September 2018. Pursuant to Bye-law 86(2), the Directors shall have power from time to time and at any time to appoint any person as a Director subject to authorisation by the

LETTER FROM THE BOARD

Shareholders in general meeting, as an addition to the existing Board but so that the number of Directors so appointed shall not exceed any maximum number determined from time to time by the Shareholders in general meeting. Any Directors so appointed by the Board shall hold office only until the next following general meeting of the Company (in the case of filling a casual vacancy) or until the next following annual general meeting of the Company (in the case of an addition to the Board), and shall then be eligible for re-election at that meeting. Accordingly, Mr. AU Kin Wah will retire as Director at the AGM and being eligible, will offer himself for re-election at the AGM.

Pursuant to Bye-law 87, at each annual general meeting, one-third of the Directors for the time being (or, if their number is not a multiple of three (3), the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director shall be subject to retirement at least once every three years. Also, any Director appointed pursuant to Bye-law 86(2) shall not be taken into account in determining which particular Directors or the number of Directors who are to retire by rotation. Accordingly, pursuant to Bye-law 87(1), Mr. KWAN Chun Wai Roy and Mr. DING Lei will retire as Directors at the AGM and being eligible, will offer themselves for re-election at the AGM.

The Board has resolved to hold the AGM for the purpose of considering, and if thought fit, passing the ordinary resolution to approve the proposed re-election of the Directors stated hereinabove pursuant to the relevant requirements under Bermuda law and the Bye-laws.

In reviewing the structure of the Board, the nomination committee of the Company will consider the structure, size and diversity (including gender, age, cultural and educational background, length of service, skills, knowledge and experience etc.) of the Board at least annually and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy. All appointments to the Board are based on meritocracy and the candidates will be assessed based on criteria such as education background and relevant skills and experience for consideration of the operation of the Board as a whole, with a view to maintaining a sound balance of the Board's composition.

Mr. AU Kin Wah, an INED proposed to be re-elected at the AGM, has extensive experiences in banking, commodity, auditing and accounting sectors. Mr. Au had held senior positions in various European and Singaporean banks. He is a professional accountant. He has been acting as an independent non-executive Director since 30 September 2018. Mr. Au has satisfied all the criteria for independence set out in Rule 3.13 of the Listing Rules and provided annual confirmation of independence to the Company. The Board is of the view that Mr. Au has been committed to devoting time and attention to perform his duties as independent non-executive Director over the tenure of services. He has demonstrated that he has the required character, integrity and experience to perform his duties by providing objective views and independent guidance to the Board and the Board is of the view that that his wide breadth of professional experience and knowledge in his respective fields have been and will continue to contribute greatly to the diversity of the Board.

LETTER FROM THE BOARD

The biographical details of the Directors stated hereinabove are set out in Appendix I to this circular.

3. PROPOSALS FOR GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES

The following ordinary resolutions, among others, will be proposed at the AGM in order to grant to the Directors the new general and unconditional mandates to exercise the powers of the Company to issue and repurchase Shares:

- (i) An ordinary resolution (resolution No. 5) to grant to the Directors the General Mandate to authorise them to allot, issue and otherwise deal with the Shares up to maximum of 20% of the total number of issued Shares as at the date of passing of such resolution;
- (ii) An ordinary resolution (resolution No. 6) to grant to the Directors the Repurchase Mandate to authorise them to repurchase Shares on the Stock Exchange up to a maximum of 10% of the total number of issued Shares as at the date of passing of such resolution; and
- (iii) Conditional upon the passing of resolutions No. 5 and No. 6 as stated above, an ordinary resolution (resolution No. 7) to grant to the Directors the Extension Mandate to extend the General Mandate by an amount representing the aggregate number of Shares repurchased by the Company under the Repurchase Mandate provided that such number of Shares shall not exceed 10% of the total number of issued Shares as the date of passing the resolution granting the Repurchase Mandate.

Each of the General Mandate, the Repurchase Mandate and the Extension Mandate will end on the earliest of (i) the conclusion of the next annual general meeting of the Company following the AGM; or (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws, the Companies Act or any applicable law to be held; or (iii) when the authority given to the Directors hereunder is revoked or varied by ordinary resolution(s) of Shareholders in a general meeting of the Company prior to the next annual general meeting of the Company.

On the assumption that 2,366,286,547 Shares were in issue as at the Latest Practicable Date and no further Shares will be issued or repurchased after the Latest Practicable Date and up to the date of the AGM, the Company would be allowed to issue a maximum of 473,257,309 Shares under the General Mandate and to repurchase a maximum of 236,628,654 Shares under the Repurchase Mandate.

Shareholders are invited to refer to the notice of AGM for details of the abovementioned ordinary resolutions. An explanatory statement, as required by the Listing Rules containing all information in connection with the Repurchase Mandate which is reasonably necessary to enable the Shareholders to make an informed decision as to whether to vote for or against the resolution in respect of the Repurchase Mandate at the AGM, is also set out in Appendix II to this circular.

LETTER FROM THE BOARD

4. REFRESHMENT OF THE SCHEME MANDATE LIMIT

The Share Option Scheme was adopted by the Company on 28 September 2012 and amended on 8 August 2014 and 15 July 2015, respectively. The Share Option Scheme is valid and effective for a period of 10 years from the date of adoption.

Pursuant to Chapter 17 of the Listing Rules, the total number of securities which may be issued upon exercise of all share options to be granted under a share option scheme and any other schemes of a listed issuer must not in aggregate exceed 10% of the relevant class of securities of the listed issuer (or the subsidiary) in issue as at the date of approval of the share option scheme. Share options lapsed in accordance with the share option scheme will not be counted for the purpose of calculating the 10% limit. The listed issuer may seek approval by its shareholders in general meeting for “refreshing” the 10% limit under the share option scheme. However, the total number of securities which may be issued upon exercise of all share options to be granted under all of the schemes of the listed issuer (or the subsidiary) under the limit as “refreshed” must not exceed 10% of the relevant class of securities in issue as at the date of approval of the refreshed limit. Share options previously granted under the schemes (including those outstanding, cancelled, lapsed in accordance with the scheme or exercised share options) will not be counted for the purpose of calculating the limit as “refreshed”. The Listing Rules also provide that the limit on the number of securities which may be issued upon exercise of all outstanding share options granted and yet to be exercised under the share option scheme and any other schemes must not exceed 30% of the relevant class of securities of the listed issuer (or the subsidiary) in issue from time to time.

Apart from the Share Option Scheme, the Company has no other share option scheme currently in force as at the Latest Practicable Date.

The existing Scheme Mandate Limit is 207,367,654 Shares, representing (i) 10% of the Shares in issue as at 14 September 2017 when the resolution for refreshing the then scheme mandate limit was passed at the annual general meeting of the Company; and (ii) approximately 8.76% of the Shares in issue as at the Latest Practicable Date. Since the refreshment of the existing Scheme Mandate Limit (i.e. 14 September 2017) up to the Latest Practicable Date, 103,500,000 Share Options carrying right to subscribe for 103,500,000 Shares have been granted, among the aggregate of 103,500,000 Share Options granted, Share Options to subscribe for an aggregate of 62,100,000 Shares were granted to the Directors, 20,700,000 Share Options to Mr. TAN Teng Hong, an executive director of the Company who resigned on 3 July 2018, on 27 September 2017 at exercise price HK\$0.255, 20,700,000 Share Options to Mr. KWAN Chun Wai Roy, an executive director, chairman and chief executive officer of the Company, on 10 August 2018 at exercise price HK\$0.257 and 20,700,000 Share Options to Mr. DING Lei, an executive Director, on 10 August 2018 at exercise price HK\$0.257, and the rest 41,400,000 Share Options were granted to the employees of the Group on 10 August 2018 at exercise price HK\$0.257, 58,670,000 Share Options have lapsed for scheme mandate limit of the Share Option Scheme was passed 15 July 2015, 82,800,000 Share Options have been cancelled for the existing Scheme Mandate Limit and no Share Option have been exercised. As at the Latest Practical Date, 20,700,000 Share Options remain outstanding and unexercised (which represents about 0.87% of the

LETTER FROM THE BOARD

issued Shares) for the existing Scheme Mandate Limit. Unless the existing Scheme Mandate Limit was “refreshed”, only 103,867,654 Shares (representing approximately 50.09% of the existing Scheme Mandate Limit) might be issued pursuant to the grant of further Share Options under the Share Option Scheme.

Based on 2,366,286,547 Shares in issue as at the Latest Practicable Date and assuming that no further Shares will be repurchased or issued and no Share Options will be granted or exercised between the Latest Practicable Date and the date of the AGM, upon the approval of the refreshment of the Scheme Mandate Limit, the Directors will be authorised to grant Share Options to subscribe for a maximum of 236,628,654 Shares, representing 10% of the total number of Shares in issue as at the Latest Practicable Date.

As at the Latest Practicable Date, there are 29,400,000 Share Options outstanding, representing approximately 1.24% of the aggregate number of issued Shares. If the refreshment of the existing Scheme Mandate Limit is approved at the AGM, the existing Outstanding Options of the Company and the Share Options to be granted under the “refreshed limit” will not exceed 30% of the Shares in issue.

In order to provide the Company with greater flexibility in granting Share Options to eligible persons (including employees and Directors) of the Company under the Share Option Scheme and to provide incentives and rewards to the eligible persons for their contribution to the Company, the Board decided to seek the approval of the Shareholders to refresh the Scheme Mandate Limit at the AGM. The Directors consider that such refreshment of the Scheme Mandate Limit is in the interests of the Company and the Shareholders as a whole.

Conditions of the Refreshment of Scheme Mandate Limit

The proposed refreshment of Scheme Mandate Limit is conditional upon:

1. the passing of the necessary ordinary resolution by the Shareholders at the AGM to approve the proposed refreshment of Scheme Mandate Limit; and
2. the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Shares to be allotted and issued pursuant to the exercise of the subscription rights attaching to the Share Options to be granted under the refreshed Scheme Mandate Limit.

Application will be made to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Shares to be allotted and issued pursuant to the exercise of the subscription rights attaching to Share Options to be granted under the refreshed Scheme Mandate Limit.

LETTER FROM THE BOARD

5. AGM

The notice convening the AGM is set out in Appendix III of this circular. A form of proxy for the AGM is enclosed with this circular. If you do not intend to be present at the AGM, you are requested to complete the form of proxy in accordance with the instructions printed thereon as soon as possible and in any event no less than 48 hours before the time appointed for the holding of the AGM (i.e. by 3:00 p.m. on Wednesday, 11 September 2019) or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting at the AGM or any adjournment thereof should you so wish and in such event, the proxy shall be deemed to be revoked.

Pursuant to Rule 13.39(4) of the Listing Rules, all votes of the Shareholders at the general meeting must be taken by poll save as resolution relates purely to a procedural or administrative matter which may be voted on by a show of hands. The Company will announce the results of the poll of the AGM in the manner prescribed under Rule 13.39(5) of the Listing Rules.

6. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

7. RECOMMENDATION

The Directors believe that the General Mandate, the Repurchase Mandate, the Extension Mandate, the re-election of Directors and the refreshment of the Scheme Mandate Limit of the Share Option Scheme are in the best interests of the Company and its Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of all the resolutions to be proposed at the AGM.

On behalf of the Board

KWAN Chun Wai Roy

Chairman, Executive Director and Chief Executive Officer

The details of the retiring Directors proposed to be re-elected at the AGM are set out as follow:

Mr. KWAN Chun Wai Roy (“**Mr. Kwan**”), aged 43, has been appointed as the Chairman of the Company, an executive Director and the chief executive officer of the Company with effect from 3 July 2018. Mr. Kwan is also appointed as an authorised representative of the Company under the Listing Rules. He is also the director of ezBlock Financial Technology Company Limited, Success Dragon Operations Limited, ezBlock International Holdings Limited (formerly known as Success Dragon Energy Limited), Extra Success Holdings Limited, Real Champ International Holdings Limited and Extra Nice Limited, all are direct wholly-owned subsidiaries of the Company. Mr. Kwan is the legal person of Ganglong Financial Service (Shenzhen) Company Limited* 港龍金融服務(深圳)有限公司 and ezBlock Commercial Factoring (Shenzhen) Limited (formerly known as Shengye Minghua Commercial Factoring (Shenzhen) Limited)* 易塊商業保理(深圳)有限公司(前稱為盛業銘華商業保理(深圳)有限公司) and the director of ezBlock Finance (HK) Limited and ezBlock Finance (China) Limited, all are indirect wholly-owned subsidiaries of the Company. Mr. Kwan holds a Bachelor of Science in Computer Science and Economics awarded by University of Michigan, Ann Arbor. He also holds Master of Science in Engineering Economic Systems and Operations Research awarded by Stanford University. Mr. Kwan has extensive experiences in banking, financial and technology sectors and strategic management consultancy experiences in various industries such as pharmaceutical, consumer goods and financial services. Mr. Kwan had held senior positions in various multinational organisations.

Save as disclosed above, Mr. Kwan did not hold any directorship in other listed companies in Hong Kong or overseas in the three years preceding the Latest Practicable Date or any other position with the Company and other members of the Group as at the Latest Practicable Date. Mr. Kwan was not related to any directors, senior management, substantial shareholders or controlling shareholders (as defined in the Listing Rules) of the Company as at the Latest Practicable Date.

As at the Latest Practicable Date, Mr. Kwan was not interested or deemed to be interested in any shares, underlying shares or debentures of the Company within the meaning of Part XV of the SFO.

Pursuant to the employment contract entered into between the Company and Mr. Kwan, Mr. Kwan has been appointed as the chairman of the Company, an executive Director and the chief executive officer of the Company with effect from 3 July 2018 and will continue thereafter until a notice of termination is served by either party. Mr. Kwan’s appointment is however subject to normal retirement and re-election by Shareholders pursuant to the Bye-laws. Under the employment contract, Mr. Kwan is entitled to receive a director’s emolument of HK\$130,000 per month with discretionary bonus which was determined by the Board with reference to the recommendation of the Remuneration Committee of the Company.

Save as disclosed above, there is no other information concerning Mr. Kwan that needs to be brought to the attention of the Shareholders or the Stock Exchange or disclosed under Rule 13.51(2) of the Listing Rules.

Mr. DING Lei (“**Mr. Ding**”), aged 28, has been appointed as an executive Director of the Company since 1 April 2018. Mr. Ding obtained a Master’s degree in Finance from The University of Texas at Dallas in December 2015 and a Bachelor’s degree in English Language and Literature from Luoyang Institute of Technology* in July 2012. Mr. Ding was an investment manager in the fixed income department in Sichuan Trust Co., Ltd.* from January 2016 to September 2017. He is currently a director of Luanchuan Province Luanling Gold Mines Co. Ltd.* and Chifeng Yongfeng Mining Co., Ltd.*. He is also as a supervisor of Shenzhen Munsun Asset Management Company Limited*.

Save as disclosed above, Mr. Ding did not hold any directorship in other listed companies in Hong Kong or overseas in the three years preceding the Latest Practicable Date or any other position with the Company and other members of the Group as at the Latest Practicable Date. Save that Mr. Ding is the nephew of Mr. Liu Shiwei (who is a Substantial Shareholder of the Company), Mr. Ding is not related to any Directors, senior management, substantial or controlling shareholders (as defined in the Listing Rules on the Stock Exchange) of the Company as at the Latest Practicable Date.

As at the Latest Practicable Date, Mr. Ding was not interested or deemed to be interested in any shares, underlying shares or debentures of the Company within the meaning of Part XV of the SFO.

Pursuant to the service agreement entered into between the Company and Mr. Ding, Mr. Ding has been appointed as an executive Director from 1 April 2018 and will continue thereafter until a notice of termination of not less than three months is served by either party. Mr. Ding’s appointment is however subject to normal retirement and re-election by the Shareholders pursuant to the bye-laws of the Company. Under the service agreement, Mr. Ding shall be entitled to receive a director’s emolument of HK\$20,000 per month which was determined by the Board with reference to the recommendation of the Remuneration Committee of the Company.

Save as disclosed above, there is no other information concerning Mr. Ding that needs to be brought to the attention of the Shareholders or the Stock Exchange or disclosed under Rule 13.51(2) of the Listing Rules.

Mr. AU Kin Wah (“**Mr. Au**”), aged 55, holds a Professional Diploma in Accountancy awarded by the Hong Kong Polytechnic. He is an associate member of the Hong Kong Institute of Certified Public Accountants, and a fellow member of the Association of Chartered Certified Accountants. Mr. Au has extensive experiences in banking, commodity, auditing and accounting sectors. Mr. Au had held senior positions in various European and Singaporean banks. Prior to joining the banks, Mr. Au worked in the audit division of an international accounting firm in Hong Kong.

Save as disclosed above, Mr. Au did not hold any directorship in other listed companies in Hong Kong or overseas in the three years preceding the Latest Practicable Date or any other position with the Company and other members of the Group as at the Latest Practicable Date. Mr. Au was not related to any directors, senior management, substantial shareholders or controlling shareholders (as defined in the Listing Rules) of the Company as at the Latest Practicable Date.

As at the Latest Practicable Date, Mr. Au was not interested or deemed to be interested in any shares, underlying shares or debentures of the Company within the meaning of Part XV of the SFO.

Pursuant to the service agreement entered into between the Company and Mr. Au, Mr. Au has been appointed as an independent non-executive Director since 30 September 2018 and will continue thereafter until a notice of termination is served by either party. Mr. Au's appointment is however subject to normal retirement and re-election by Shareholders pursuant to the Bye-laws. Under the service agreement, Mr. Au is entitled to receive a director's emolument of HK\$240,000 per annum which was determined by the Board with reference to the recommendation of the Remuneration Committee of the Company.

Save as disclosed above, there is no other information concerning Mr. Au that needs to be brought to the attention of the Shareholders or the Stock Exchange or disclosed under Rule 13.51(2) of the Listing Rules.

** The English translation of the Chinese name is for information only, and should not be regarded as the official English translation of such name. Please refer to the Chinese version of this circular for the Chinese name.*

This appendix serves as an explanatory statement, as required by the Listing Rules, to provide the Shareholders with all the information reasonably necessary to enable them to make an informed decision on whether to vote for or against the ordinary resolution to approve the grant of the Repurchase Mandate to the Directors:

LISTING RULES RELATING TO THE REPURCHASE OF SHARES

The Listing Rules permit companies whose primary listings are on the Stock Exchange to repurchase their securities on the Stock Exchange and any other stock exchange on which securities of the company are listed and such exchange is recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange subject to certain restrictions. Among such restrictions, the Listing Rules provide that the shares of such company must be fully paid up and all repurchases of shares by such company must be approved in advance by an ordinary resolution of shareholders, either by way of a general mandate or by specific approval of a particular transaction.

SHARE CAPITAL

As at the Latest Practicable Date, the Company has 2,366,286,547 Shares in issue and issued share capital of HK\$23,662,865.47.

Subject to the passing of the proposed resolution granting the Repurchase Mandate and on that basis and assuming no further Shares will be issued or repurchased prior to the AGM, the exercise of the Repurchase Mandate in full would result in up to 236,628,654 Shares representing share capital of HK\$2,366,286.54 being repurchased by the Company, representing 10% of the issued Shares of the Company.

REASON FOR THE REPURCHASE

The Directors believe that it is in the best interests of the Company and the Shareholders as a whole to have a general authority from the Shareholders to enable the Directors to repurchase Shares in the market. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net value of the Company and its assets and/or its earnings per share and will only be made when the Directors believe that such repurchases will benefit the Company and the Shareholders as a whole.

FUNDING OF REPURCHASE

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with its Bye-laws, the Companies Act and the applicable laws of Bermuda and the Listing Rules. The repurchase of Shares under the Repurchase Mandate will be financed from the Company's internal resources.

There might be a material adverse impact on the working capital and/or gearing position of the Company as compared with the position as at 31 March 2019 (being the date of its latest published audited consolidated financial statements), in the event that the proposed Repurchase Mandate was to be exercised in full at any time during the proposed repurchase period. However, the Directors do not intend to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements or the gearing levels of the Company which in the opinion of the Directors are from time to time appropriate for the Company.

SHARE PRICES

The highest and lowest prices at which the Shares have been traded on the Stock Exchange during each of the twelve months preceding and up to the Latest Practicable Date were as follows:

	Share Price	
	Highest (HK\$)	Lowest (HK\$)
2018		
July	0.310	0.255
August	0.295	0.243
September	0.246	0.202
October	0.222	0.185
November	0.219	0.176
December	0.209	0.160
2019		
January	0.188	0.150
February	0.200	0.139
March	0.249	0.150
April	0.186	0.152
May	0.165	0.139
June	0.149	0.116
July (up to and including the Latest Practicable Date)	0.129	0.109

DISCLOSURE OF INTERESTS

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their respective Close associates (as defined in the Listing Rules), have any present intention to sell any Shares to the Company under the Repurchase Mandate if the same is approved by the Shareholders.

No Core connected person of the Company has notified the Company that he/she/it has a present intention to sell Shares to the Company, or has undertaken not to do so, in the event that the Repurchase Mandate is approved by Shareholders.

UNDERTAKING OF THE DIRECTORS

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the power of the Company to make repurchase under the Repurchase Mandate in accordance with the Listing Rules, the Bye-laws of the Company, and the applicable laws of Bermuda.

EFFECT OF THE TAKEOVERS CODE

If as a result of a share repurchase pursuant to the Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition of voting rights for the purposes of Rule 32 of the Takeovers Code. As a result, a Shareholder or group of Shareholders acting in concert (as defined in the Takeovers Code) could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 and 32 of the Takeovers Code.

As at the Latest Practicable Date, the register of the Shareholders maintained by the Company pursuant to Section 336 under Part XV of the SFO showed that the Company has been notified of the following interests, being 5% or more of the Company's issued share capital:

Name of Shareholder	Long/Short Position	Number of Shares and underlying shares held	Approximate percentage of existing shareholding	Approximate percentage of shareholding if the Repurchase Mandate is exercised in full
LIU Shiwei (<i>Note 1</i>)	Long	612,373,895	25.88%	28.75%
	Short	503,669,620	21.29%	23.65%
Shanghai Limited (<i>Note 2</i>)	Long	503,669,620	21.29%	23.65%
TSANG Ho Kwan (<i>Note 2</i>)	Long	503,669,620	21.29%	23.65%

Notes:

- LIU Shiwei holds 503,669,620 put option shares, so LIU Shiwei are taken to have a short position of 503,669,620 shares in the Company.
- Shanghai Limited holds 503,669,620 call option shares. TSANG Ho Kwan is the sole beneficial shareholder of Shanghai Limited. Therefore, TSANG Ho Kwan is deemed to be interested in all the Shares in which Shanghai Limited was interested by virtue of the SFO.

As at the Latest Practicable Date, Mr. LIU Shiwei and Shanghai Limited are beneficially interested in 612,373,895 Shares and 503,669,620 Shares representing approximately 25.88% and 21.29% respectively of the issued share capital of the Company.

Based on such interests in the Shares and in the event that the Directors exercise in full the power to repurchase Shares under the Share Repurchase Mandate and assuming that no further Shares are issued or repurchased prior to the AGM, the interests of Mr. LIU Shiwei and Shanghao Limited will be increased to approximately 28.75% and 23.65% respectively of the total issued share capital of the Company. No obligation to make a mandatory offer to Shareholders under the Takeovers Code would arise.

The Directors have no intention to exercise the Repurchase Mandate to such an extent that will result in the number of Shares in hands of public falling below the prescribed minimum percentage of 25% of the entire issued share capital of the Company.

SHARE REPURCHASE MADE BY THE COMPANY

No repurchase of share has been made by the Company during the last twelve months immediately preceding the Latest Practicable Date (whether on the Stock Exchange or otherwise).

SUCCESS DRAGON INTERNATIONAL HOLDINGS LIMITED**勝龍國際控股有限公司***(Incorporated in Bermuda with limited liability)***(Stock Code: 1182)**

NOTICE IS HEREBY GIVEN that the annual general meeting of Success Dragon International Holdings Limited (the “**Company**”) will be held at Room 1703–1704, World-wide House, 19 Des Voeux Road Central, Hong Kong on Friday, 13 September 2019, at 3:00 p.m. for the following purposes:

To consider and, if thought fit, to pass, with or without amendments, the following resolutions as ordinary resolutions:

ORDINARY RESOLUTIONS

1. To receive, consider and adopt the audited consolidated financial statements, the directors’ reports and the auditor’s reports of the Company for the year ended 31 March 2019.
2. To re-elect the following directors of the Company (the “**Directors**”):
 - (a) KWAN Chun Wai Roy as an executive Director;
 - (b) DING Lei as an executive Director;
 - (c) AU Kin Wah as an independent non-executive Director;
3. To authorise the board of directors (the “**Board**”) of the Company to fix the Directors’ remuneration.
4. To re-appoint ZHONGHUI ANDA CPA Limited as the auditor of the Company and to authorise the Board to fix their remuneration.
5. “**THAT**
 - (a) subject to paragraph (c) below, pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and all other applicable laws, the exercise by the directors (the “**Directors**”) of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares (the “**Shares**”) in the share capital of the Company and to make or grant offers, agreements and share options, including bonds, warrants, debentures, notes and other securities convertible into Shares, which would or might require the exercise of such powers be and is hereby generally and unconditionally approved;

- (b) the approval in paragraph (a) above shall authorise the Directors during the Relevant Period to make or grant offers, agreements and share options, including bonds, warrants, debentures, notes and other securities convertible into Shares, which would or might require the exercise of such powers after the end of the Relevant Period;
- (c) the total number of Shares allotted and issued or agreed conditionally or unconditionally to be allotted and issued (whether pursuant to a share option or otherwise) by the Directors pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue (as hereinafter defined) or (ii) the exercise of any share option scheme or similar arrangement for the time being adopted for the grant or issue to participants of the Company, its subsidiaries, and its ultimate holding company (if any) which is also listed on the Stock Exchange and its subsidiaries, of shares or right to acquire Shares, shall not exceed 20% of the total number of issued Shares as at the date of the passing of this resolution and the said approval shall be limited accordingly; and
- (d) for the purposes of this resolution:

“**Relevant Period**” means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws of the Company or any applicable law to be held; and
- (iii) the date of the revocation or variation of such mandate granted under this resolution by an ordinary resolution of the shareholders of the Company in general meeting; and

“**Rights Issue**” means an offer of Shares, or offer or issue of warrants, share options or other securities giving rights to subscribe for Shares open for a period fixed by the Directors to holders of Shares or any class of Shares whose names appear on the register of members of the Company on a fixed record date in proportion to their then holdings of such Shares (subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in any territory outside Hong Kong).”

6. “THAT

- (a) subject to paragraph (b) below, the exercise by the Directors of the Company during the Relevant Period (as hereinafter defined) of all powers of the Company to repurchase the shares (the “**Shares**”) in the share capital of the Company on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) or on any other stock exchange on which the Shares may be listed and recognised by the Securities and Futures Commission of Hong Kong (the “**SFC**”) and the Stock Exchange for this purpose, and subject to and in accordance with the rules and regulations of the SFC, the Stock Exchange and all applicable laws and the requirements as amended from time to time in this regard, be and is hereby generally and unconditionally approved;
- (b) the total number of Shares which may be repurchased or agreed to be repurchased by the Company pursuant to the approval in paragraph (a) above during the Relevant Period shall not exceed 10% of the total number of issued Shares as at the date of the passing of this resolution and the said approval shall be limited accordingly; and
- (c) for the purposes of this resolution:

“**Relevant Period**” means the period from the date of passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws of the Company or any other applicable law to be held; and
 - (iii) the date of revocation or variation of such mandate granted by this resolution by an ordinary resolution of the shareholders of the Company in general meeting.”
7. “**THAT** conditional upon resolutions numbered 5 and 6 above being passed, the unconditional general mandate granted to the Directors to allot, issue and deal with additional shares of the Company pursuant to resolution numbered 5 above be and it is hereby extended by the addition thereto of the number of Shares repurchased by the Company under the authority granted pursuant to resolution numbered 6 above, provided that such number of Shares shall not exceed 10% of the total number of issued Shares as at the date of the passing of resolution no. 6.”

8. “**THAT** subject to and conditional upon the granting by the Listing Committee of the Stock Exchange of the listing of and permission to deal in the Shares which may be issued pursuant to the exercise of share option to be granted under the refreshed scheme mandate limit (the “**Scheme Mandate Limit**”) under the share option scheme (the “**Share Option Scheme**”) adopted by the Company on 28 September 2012 and amended on 8 August 2014 and 15 July 2015, respectively:
- (a) the refreshment of the Scheme Mandate Limit of up to 10 per cent. of the Shares in issue as at the date of passing of this resolution (the “**Refreshed Scheme Limit**”) be and is hereby approved;
 - (b) the Directors be and are hereby authorised to grant options to subscribe for Shares within the Refreshed Scheme Limit in accordance with the Share Option Scheme and to allot, issue and deal with Shares of the Company pursuant to the exercise of options granted under the Share Option Scheme within the Refreshed Scheme Limit; and
 - (c) any one Director be and is hereby authorised to approve and execute all documents, instruments and agreements and to do all such acts and things deemed by him to be necessary or expedient for the purpose of giving effect to the foregoing arrangement.”

On behalf of the Board

KWAN Chun Wai Roy

Chairman, Executive Director and Chief Executive Officer

Hong Kong, 25 July 2019

Registered Office:
Clarendon House 2
Church Street
Hamilton HM 11
Bermuda

Principal Place of Business in Hong Kong:
Unit 403A, 4/F.,
Block B, Sea View Estate
4–6 Watson Road
North Point
Hong Kong

Note:

1. A member of the Company entitled to attend and vote at the above meeting (the “**Meeting**”) is entitled to appoint in written form one or, if he is the holder of two or more shares (the “**Shares**”) of the Company, more proxy(ies) to attend and vote instead of him. A proxy need not be a member of the Company.
2. In order to be valid, the instrument appointing a proxy must be in writing under the hand of the appointor or of his/her attorney duly authorised in writing or, if the appointor is a corporation, either under its seal or under the hand of an officer or attorney duly authorised to sign the same, and must be delivered to the office of the Hong Kong share registrar and transfer office of the Company (the “**Hong Kong Share Registrar**”), Tricor Secretaries Limited at Level 54, Hopewell Centre 183 Queen’s Road East, Hong Kong not less than forty-eight (48) hours before the time appointed for holding the Meeting (i.e. by 3:00 p.m. on Wednesday, 11 September 2019) or any adjournment thereof.

3. For determining the entitlement of the shareholders of the Company to attend and vote at the Meeting, the register of members of the Company will be closed from 10 September 2019 to 13 September 2019, both days inclusive, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the Meeting, all completed transfer documents, accompanied by relevant share certificates, must be lodged with the Hong Kong branch share registrar of the Company, Tricor Secretaries Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration no later than 4:30 p.m. on Monday, 9 September 2019.
4. Delivery of an instrument appointing a proxy shall not preclude a member of the Company from attending and voting in person at the Meeting or any adjournment thereof and in such event, the instrument appointing a proxy shall be deemed to be revoked.
5. In the case of joint holders of Share, any one of such persons may vote at the Meeting, either personally or by proxy, in respect of such Share as if he was solely entitled thereto, but if more than one of such joint holders are present at the meeting in person or by proxy, that one of the said persons so present whose names stands first on the register of members of the Company in respect of such Share shall alone be entitled to vote in respect thereof.
6. In relation to resolution numbered 5 above, approval is being sought from the Shareholders for the grant to the Directors of a general mandate to authorise the allotment and issue of Shares.
7. In relation to resolution numbered 6 above, the Directors wish to state that they will exercise the powers conferred thereby to purchase Shares in circumstances, which they deem appropriate for the benefit of the Shareholders.
8. In case of discrepancy between the English version and the Chinese version of the notice of the AGM, the English version shall prevail.

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