
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 a licensed securities dealer, or registered institution in securities, bank manager, solicitor, certified public accountant or other professional adviser.

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 proxy form to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

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) PROPOSED CAPITAL REORGANISATION; (2) PROPOSED CHANGE IN BOARD LOT SIZE; AND (3) NOTICE OF SPECIAL GENERAL MEETING

Capitalised terms used in this cover page shall have the same meanings as those defined in this circular.

A notice convening the SGM to be held at Units 5 & 6, 17/F, Convention Plaza Office Tower, 1 Harbour Road, Wan Chai, Hong Kong on Monday, 7 June 2021 at 2:30 p.m. is set out in the Notice of SGM in this circular. A form of proxy for use by the Shareholders at the SGM is enclosed with this circular. Whether or not you are to attend the SGM in person, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the Registrar, Tricor Secretaries Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the SGM. Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM should you so wish.

PRECAUTIONARY MEASURES FOR THE SGM

Considering the outbreak of the COVID-19, certain measures will be implemented at the SGM with a view to addressing the risk to attendees of infection, including, without limitation:

- all attendees being required to (a) undergo body temperature screening; and (b) wear surgical masks prior to admission to the SGM venue;
- attendees who are subject to health quarantine prescribed by the HKSAR Government not being admitted to the SGM venue;
- all attendees being required to wear surgical masks throughout the SGM;
- appropriate seating arrangement; and
- no distribution of corporate gift or refreshment.

Any person who does not comply with the precautionary measures may be denied entry into the SGM venue. Shareholders are encouraged to consider appointing the chairman of the SGM as your proxy to vote on the relevant resolution, instead of attending the SGM in person.

13 May 2021

CONTENT

	<i>Page</i>
Precautionary Measures for the Special General Meeting	ii
Definitions	1
Expected timetable	3
Letter from the Board	5
Notice of Special General Meeting	13

PRECAUTIONARY MEASURES FOR THE SPECIAL GENERAL MEETING

In view of the ongoing Coronavirus Disease 2019 (COVID-19) pandemic and recent requirements for prevention and control of its spread, the Company will implement the following preventive measures at the SGM:

- (i) Compulsory body temperature checks will be conducted on every Shareholder, proxy and other attendees at the entrance of the SGM venue. Any person with a body temperature of over 37.4 degrees Celsius may be denied entry into the SGM venue and be asked to leave the SGM venue.
- (ii) Shareholders that (a) have travelled, and have been in close contact with any person who has travelled, outside of Hong Kong (as per guidelines issued by the Hong Kong Government at www.chp.gov.hk/en/features/102742.html) at any time in the preceding fourteen (14) days; (b) are, and have been, in close contact with any person who is, subject to any Hong Kong Government prescribed compulsory quarantine (including home quarantine); (c) are, and have been, in close contact with anyone who has contracted COVID-19, has been tested preliminarily positive of COVID-19 or is suspected of contracting COVID-19; or (d) have any flu-like symptoms, may be denied entry into the SGM venue and be asked to leave the SGM venue.
- (iii) All Shareholders, proxies and other attendees are required to wear surgical face masks inside the SGM venue at all times. Any person who does not comply with this requirement may be denied entry into the SGM venue and be asked to leave the SGM venue. A safe distance between seats are also recommended.
- (iv) No distribution of corporate gift or refreshment will be provided at the SGM.

To the extent permitted under the laws of Hong Kong, the Company reserves the right to deny entry into the SGM venue or require any person to leave the SGM venue in order to ensure the safety of the attendees at the SGM.

In the interest of all stakeholders' health and safety and consistent with recent COVID-19 guidelines for prevention and control, the Company reminds all Shareholders that physical attendance in person at the SGM is not necessary for the purpose of exercising voting rights. As an alternative to attending the SGM in person, Shareholders are encouraged to consider appointing the Chairman of the SGM as their proxy to vote on the relevant resolutions at the SGM by submitting proxy forms with voting instructions inserted.

The proxy form can be downloaded from the Company's website at <http://successdragonintl.com/> and the website of The Stock Exchange of Hong Kong Limited at <http://www.hkexnews.hk>. If you are not a registered Shareholder (if your Shares are held via banks, brokers, custodians or the Hong Kong Securities Clearing Company Limited), you should consult directly with your banks or brokers or custodians (as the case may be) to assist you in the appointment of proxy.

DEFINITIONS

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

“Adjusted Shares”	ordinary share(s) of par value HK\$0.01 each in the issued and unissued share capital of the Company upon the Capital Reorganisation becoming effective
“Board”	the board of Directors
“Business Day(s)”	a day (other than Saturday, Sunday or public holiday) on which licensed banks in Hong Kong are open for normal banking business during their normal business hours
“Bye-laws”	bye-laws of the Company, as amended from time to time
“Capital Reduction”	the proposed reduction of the nominal or par value of each issued Consolidated Share from HK\$0.2 to HK\$0.01 by cancelling the paid-up capital to the extent of HK\$0.19 on each of the issued Consolidated Shares
“Capital Reorganisation”	the Share Consolidation, the Capital Reduction and the Share Subdivision
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Change in Board Lot Size”	the proposed change in board lot size for trading in the Shares from 10,000 Existing Shares to 5,000 Adjusted Shares upon the Capital Reorganisation becoming effective
“Companies Act”	the Companies Act 1981 of Bermuda
“Company”	Success Dragon International Holdings Limited, a company incorporated in Bermuda with limited liability, and the ordinary shares of which are listed on the Main Board of the Stock Exchange (Stock code: 1182)
“Consolidated Share(s)”	ordinary share(s) of par value HK\$0.2 each in the issued and unissued share capital of the Company immediately after the Share Consolidation becoming effective
“Director(s)”	the director(s) of the Company
“Existing Share(s)”	ordinary share(s) of par value of HK\$0.01 each in the share capital of the Company prior to the Capital Reorganisation becoming effective
“Group”	the Company and its subsidiaries

DEFINITIONS

“HK\$”	the lawful currency of Hong Kong dollars
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	10 May 2021, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Registrar”	the branch share registrar and transfer office of the Company in Hong Kong, Tricor Secretaries Limited at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong
“SGM”	the special general meeting of the Company to be convened and held for the purpose of considering and, if thought fit, approving, among other things, the Capital Reorganisation
“Share(s)”	the Existing Share(s), Consolidated Share(s), or Adjusted Share(s) (as the case maybe)
“Share Consolidation”	the proposed consolidation of every twenty (20) issued and unissued Existing Shares of par value HK\$0.01 each into one (1) Consolidated Share of par value HK\$0.2 each
“Share Subdivision”	the proposed sub-division of each authorised but unissued Consolidated Share of par value HK\$0.2 each (including those arising from the Capital Reduction) into twenty (20) Adjusted Shares of par value HK\$0.01 each
“Shareholders”	the holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

EXPECTED TIMETABLE

The expected timetable for the Capital Reorganisation and Change in Board Lot Size is set out below. The expected timetable is subject to the results of the SGM and satisfaction of the conditions to the Capital Reorganisation and is therefore for indicative purpose only. Any change to the expected timetable will be announced in a separate announcement by the Company as and when appropriate. All times and dates in this circular refer to Hong Kong local times and dates.

	Date
Latest date and time for lodging transfers documents in order to qualify for attendance and voting at the SGM	4:30 p.m. on Tuesday, 1 June 2021
Closure of register of members of the Company for determining the identity of the Shareholders entitled to attend and vote at the SGM	Wednesday, 2 June 2021 to Monday, 7 June 2021 (both days inclusive)
Latest time for lodging forms of proxy for the SGM	2:30 p.m. on Saturday, 5 June 2021
Record Date of the attendance and voting at the SGM.	Monday, 7 June 2021
Expected date and time of the SGM	2:30 p.m. on Monday, 7 June 2021
Announcement of voting results of the SGM	Monday, 7 June 2021
 The following events are conditional on the fulfilment of the conditions for the implementation of the Capital Reorganisation and Change in Board Lot Size:	
Effective date of the Capital Reorganisation	Wednesday, 9 June 2021
First day for free exchange of existing share certificates for new share certificates for the Adjusted Shares commences	Wednesday, 9 June 2021
Commencement of dealings in Adjusted Shares	9:00 a.m. on Wednesday, 9 June 2021
Original counter for trading in the Existing Shares in board lots of 10,000 existing Shares (in the form of existing share certificates) temporarily closes	9:00 a.m. on Wednesday, 9 June 2021
Temporary counter for trading in the Adjusted Shares in board lot size of 500 (in the form of existing share certificates) opens	9:00 a.m. on Wednesday, 9 June 2021

EXPECTED TIMETABLE

	Date
Original counter for trading in the Adjusted Shares in board lot size of 5,000 (in the form of new shares certificate) re-opens	9:00 a.m. on Thursday, 24 June 2021
Parallel trading in the Adjusted Shares (in the form of new share certificates and existing share certificates) commences	9:00 a.m. on Thursday, 24 June 2021
Designated broker starts to stand in the market to provide matching services for odd lots of Adjusted Shares	9:00 a.m. on Thursday, 24 June 2021
Designated broker ceases to stand in the market to provide matching services for odd lots of the Adjusted Shares	4:00 p.m. on Thursday, 15 July 2021
Temporary counter for trading in the Adjusted Shares (in the form of existing share certificates and in temporary board lot size of 500) closes	4:10 p.m. on Thursday, 15 July 2021
Parallel trading in the Adjusted Shares (in the form of new share certificates and existing share certificates) ends	4:10 p.m. on Thursday, 15 July 2021
Last day for free exchange of existing share certificates for new share certificates	4:30 p.m. on Monday, 19 July 2021

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:

Mr. DING Lei (*Chairman and Co-Chief Executive Officer*)

Mr. ZHU Tianxiang (*Co-Chief Executive Officer*)

Ms. DENG Ganghui

Registered office:

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

Independent Non-Executive Directors:

Ms. WONG Chi Yan

Mr. DENG Yougao

Mr. CHONG Lok Ma

*Principal Place of Business
in Hong Kong:*

Room 903, 9/F., Tower A

New Mandarin Plaza

14 Science Museum Road

Tsim Sha Tsui East

Kowloon

Hong Kong

13 May 2021

To the Shareholders

Dear Sir or Madam,

**(1) PROPOSED CAPITAL REORGANISATION;
(2) PROPOSED CHANGE IN BOARD LOT SIZE;
AND
(3) NOTICE OF SPECIAL GENERAL MEETING**

INTRODUCTION

Reference is made to the announcement of the Company dated 26 April 2021 in relation to, among other things, the Capital Reorganisation and the Change in Board Lot Size.

The purpose of this circular is to provide you with further details of, among other things, (i) the Capital Reorganisation; (ii) the Change in Board Lot Size; and (iii) a notice convening the SGM.

LETTER FROM THE BOARD

PROPOSED CAPITAL REORGANISATION

The Board proposed to implement the Capital Reorganisation which comprises the following:

- (i) the Share Consolidation on the basis of every twenty (20) issued and unissued Existing Shares of par value HK\$0.01 each into one (1) Consolidated Share of par value HK\$0.2 each;
- (ii) the Capital Reduction by way of a reduction of the issued share capital of the Company through a cancellation of the paid-up capital of the Company to the extent of HK\$0.19 on each of the issued Consolidated Shares so that the nominal or par value of each issued Consolidated Share will be reduced from HK\$0.2 to HK\$0.01; and
- (iii) the Share Subdivision of each authorised but unissued Consolidated Share of par value HK\$0.2 into twenty (20) Adjusted Shares of par value HK\$0.01 each.

Effects of the Capital Reorganisation

As at the Latest Practicable Date, the authorised share capital of the Company is HK\$300,000,000 divided into 30,000,000,000 Existing Shares of par value HK\$0.01 each. Following the Capital Reorganisation becoming effective, the authorised share capital would be HK\$300,000,000 divided into 30,000,000,000 Adjusted Shares of par value HK\$0.01 each.

Following the Capital Reorganisation becoming effective (assuming there is no issuance of new Shares or repurchase of Shares by the Company from the Latest Practicable Date up to the effective day of the Capital Reorganisation), the issued share capital of the Company would be reduced from HK\$27,961,565.47 divided into 2,796,156,547 Existing Shares of par value HK\$0.01 each to HK\$1,398,078.27 divided into 139,807,827 (fractional number disregarded for illustration purpose) Adjusted Shares of par value HK\$0.01 each.

The credit of HK\$26,563,487.20 arising from the Capital Reduction will be credited to the contributed surplus account of the Company within the meaning of the Companies Act, and the Board will be authorised to utilise credits in the contributed surplus account in such manner as permissible under the Bye-laws and all applicable laws of Bermuda.

Shareholders and potential investors of the Company should note that the credits arising in the books from the Capital Reduction will be subject to change depending on the number of the Existing Shares in issue immediately prior to the Capital Reduction becoming effective.

Under the laws of Bermuda, the Directors may apply the contributed surplus in any manner permitted by the laws of Bermuda and the Bye-laws of the Company in effect from time to time.

LETTER FROM THE BOARD

As at the Latest Practicable Date, the Company does not have any derivatives, options, warrants and conversion rights or other similar rights which are convertible or exchangeable into, any Existing Shares or Adjusted Shares.

Assuming that there is no change in the number of issued share capital from the Latest Practicable Date up to the effective date of the Capital Reorganisation, the share capital structure of the Company will be as follows (*note*):

	As at the Latest Practicable Date	Immediately following the Share Consolidation becoming effective but prior to the Capital Reduction and Share Subdivision becoming effective	Immediately following the Capital Reorganisation becoming effective
Par value	HK\$0.01	HK\$0.2	HK\$0.01
Number of authorised Shares	30,000,000,000	1,500,000,000	30,000,000,000
Authorised share capital	HK\$300,000,000	HK\$300,000,000	HK\$300,000,000
Number of issued Shares	2,796,156,547	139,807,827	139,807,827
Number of unissued Shares	27,203,843,453	1,360,192,173	29,860,192,173
Issued share capital	HK\$27,961,565.47	HK\$27,961,565.47	HK\$1,398,078.27

Note: Fractional number of Shares is disregarded for illustration purposes.

The Adjusted Shares will rank *pari passu* in all respects with each other in accordance with the Bye-Laws and will not result in any change in the relative rights of the Shareholders, save for any fractional Adjusted Shares which may arise.

Other than the expenses to be incurred, the Capital Reorganisation will not alter the underlying assets, business operations, management or financial position of the Company nor the proportionate equity interests of the Shareholders. The Directors believe that the Capital Reorganisation will not have any adverse material effect on the financial position of the Group. No capital will be lost as a result of the Capital Reorganisation and, except for the expenses to be incurred which is expected to be insignificant in the context of the net asset value of the Company. The Capital Reorganisation will not result in any change in the relative rights of the Shareholders.

LETTER FROM THE BOARD

Conditions of the Capital Reorganisation

The Capital Reorganisation is conditional upon:

- (a) the passing of the necessary special resolution(s) by the Shareholders approving the Capital Reorganisation and the transactions contemplated thereunder at the SGM;
- (b) the Stock Exchange granting the listing of, and permission to deal in, the Adjusted Shares in issue arising from the Capital Reorganisation; and
- (c) the compliance with the relevant procedures and requirements under the Companies Act, which includes publication of a notice in relation to the Capital Reduction in Bermuda in accordance with the Companies Act and the Directors being satisfied that on the date the Capital Reorganisation is to take effect, there are no reasonable grounds for believing that the Company is, or after the Capital Reorganisation would be, unable to pay its liabilities as they become due, and the Listing Rules to effect the Capital Reorganisation.

Subject to the fulfilment of the conditions of the Capital Reorganisation, the effective date of Capital Reorganisation is expected to be Wednesday, 9 June 2021, being the one clear Business Day immediately after the date of the SGM.

As at the Latest Practicable Date, none of the above conditions have been fulfilled.

PROPOSED CHANGE IN BOARD LOT SIZE

As at the Latest Practicable Date, the Existing Shares are traded on the Stock Exchange in board lots of 10,000 Existing Shares. Subject to the Capital Reorganisation becoming effective, the Board also proposes to change the board lot size for trading in the Shares from 10,000 Existing Shares to 5,000 Adjusted Shares upon the Capital Reorganisation becoming effective.

Based on the closing price of HK\$0.065 per Existing Share (equivalent to the theoretical closing price of HK\$1.3 per Adjusted Share) as at the Latest Practicable Date, the value of each original board lot of the Existing Shares is HK\$650 and the theoretical market value of each new board lot of the Adjusted Shares, assuming the Capital Reorganisation had become effective, would be HK\$6,500.

OTHER ARRANGEMENTS

Application for listing of the Adjusted Shares

An application will be made to the Stock Exchange for the listing of, and permission to deal in, the Adjusted Shares arising from the Capital Reorganisation.

LETTER FROM THE BOARD

Subject to the granting of listing of, and permission to deal in, the Adjusted Shares on the Stock Exchange, the Adjusted Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Adjusted Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. The Capital Reorganisation will not result in any change in the rights of the Shareholders. The Adjusted Shares will be identical in all respects and rank *pari passu* in all respects with each other as to all future dividends and distributions which are declared, made or paid. All necessary arrangements will be made for the Adjusted Shares to be admitted into CCASS.

None of the Existing Shares are listed or dealt in on any other stock exchange other than the Stock Exchange, and at the time the Capital Reorganisation becomes effective, the Adjusted Shares in issue will not be listed or dealt in on any stock exchange other than the Stock Exchange, and no such listing or permission to deal is being or is proposed to be sought.

Free exchange of share certificates

Subject to the Capital Reorganisation becoming effective, which is expected to be on Wednesday, 9 June 2021, Shareholders may on or after Wednesday, 9 June 2021 and until Monday, 19 July 2021 (both dates inclusive) submit their existing share certificates (in blue colour) for the Existing Shares to the Registrar for exchange for new share certificates (in pink colour) for the Adjusted Shares at the expense of the Company. Thereafter, share certificates for the Existing Shares will be accepted for exchange only on payment of a fee of HK\$2.50 (or such higher amount as may from time to time be specified by the Stock Exchange) for each share certificate issued for the Adjusted Shares or each existing share certificate for the Existing Shares submitted for cancellation, whichever the number of certificates issued or cancelled is higher.

After 4:10 p.m. on Thursday, 15 July 2021, existing share certificates in blue colour for the Existing Shares will continue to be good evidence of legal title and may be exchanged for share certificates in pink colour for Adjusted Shares at any time but are not acceptable for trading, settlement and registration purposes.

Fractional Shares, odd lot arrangements and matching services

Fractional Adjusted Shares will not be issued by the Company to the Shareholders. Any fractional entitlements of the Adjusted Shares will be aggregated and sold for the benefit of the Company. In order to facilitate the trading of odd lots (if any) of the Adjusted Shares arising from the Capital Reorganisation, the Company has appointed One China Securities Limited as the designated broker to match the purchase and sale of odd lots of the Adjusted Shares at the relevant market price per Adjusted Share for the period from Thursday, 24 June 2021 to Thursday, 15 July 2021 (both dates inclusive). Shareholders who wish to use this matching service may contact Ms. Carmen Wong of One China Securities Limited at 2/F, Cheong K. Building, 86 Des Voeux Road Central, Central, Hong Kong

LETTER FROM THE BOARD

(telephone number: (852) 3188–2676) during office hours of such period. Holders of odd lots of the Adjusted Shares should note that successful matching of the sale and purchase of odd lots of the Adjusted Shares is not guaranteed. Any Shareholder who is in any doubt about the odd lot arrangement is recommended to consult his, or her, or its own professional advisers.

REASONS FOR THE CAPITAL REORGANISATION AND CHANGE IN BOARD LOT SIZE

Pursuant to Rule 13.64 of the Listing Rules, where the market price of the securities of an issuer approaches the extremities of HK\$0.01 or HK\$9,995.00, the issuer may be required either to change the trading method or to proceed with a consolidation or splitting of its securities. The “Guide on Trading Arrangements for Selected Types of Corporate Actions” issued by the Hong Kong Exchanges and Clearing Limited on 28 November 2008 and updated on 28 June 2019 (the “Guide”) has further stated that market price of the shares at a level less than HK\$0.1 will be considered as trading at extremity as referred to under Rule 13.64 of the Listing Rules. It has also stated in the Guide that taking into account the minimum transaction costs for a securities trade, the expected board lot value should be greater than HK\$2,000.

During the period from 7 December 2020 up to the Latest Practicable Date (the “Review Period”), there were 96 trading days (representing approximately 92.31% of the total trading days of the Shares during the Review Period) in which the closing prices of the Shares were trading below HK\$0.1 and were trading at under HK\$2,000 per board lot. The proposed Share Consolidation will bring a corresponding upward adjustment in the trading price of the Consolidated Shares and enable the Company to comply with the trading requirements under the Listing Rules.

In addition, the Company is prohibited from issuing new shares at below their par value under the Companies Act. As at the Latest Practicable Date, the par value of the Existing Shares is HK\$0.01 each. Immediately after the completion of the Share Consolidation but before implementation of the Capital Reduction, the par value of the Consolidated Shares will be HK\$0.2 per Consolidated Share. The proposed Capital Reduction will keep the par value of the Adjusted Shares at a lower level of HK\$0.01 per Adjusted Share, which allows greater flexibility in the pricing for any issue of new Shares in the future.

In view of the above, the Capital Reorganisation and the Change in Board Lot Size, (i) will enable the Company to increase the market price as well as each board lot value of the Shares so as to comply with the requirements under the Listing Rules and the Guide; while (ii) will keep the par value of the Shares at HK\$0.01 per New Share, which allows greater flexibility for the Company in the pricing for any issue of new Shares in the future. Therefore, the Board considers that the Capital Reorganisation and the Change in Board Lot Size is in the best interests of the Company and the Shareholders as a whole.

LETTER FROM THE BOARD

As at the Latest Practicable Date, the Company (i) has no intention to carry out other corporate actions or arrangements which may have an effect of undermining or negating the intended purpose of the Capital Reorganisation in the coming 12 months; and (ii) has no agreement, arrangement, understanding, intention and negotiation (concluded or otherwise) for any potential fundraising activities in the coming 12 months.

SGM

A notice convening the SGM is set out on pages 13 to 15 of this circular. The SGM will be held at Units 5 & 6, 17/F, Convention Plaza Office Tower, 1 Harbour Road, Wan Chai, Hong Kong on Monday, 7 June 2021 at 2:30 p.m. to consider and, if thought fit, approve the Capital Reorganisation.

A form of proxy for use at the SGM is enclosed with this circular. Whether or not you are able to attend the SGM, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and deposit the same at the Registrar, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the SGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM or any adjournment thereof should you so wish. Delivery of an instrument appointing a proxy shall not preclude you from attending and voting in person at the SGM and in such event, the instrument appointing a proxy shall be deemed revoked. The resolution proposed to be approved at the SGM will be taken by poll and an announcement will be made by the Company after the SGM on the poll results of the SGM.

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Accordingly, the resolution will be put to vote by way of poll at the SGM. An announcement on the poll vote results will be made by the Company after the SGM in the manner prescribed under Rule 13.39(5) of the Listing Rules.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Wednesday, 2 June 2021 to Monday, 7 June 2021, both days inclusive, during which period no transfer of Shares will be registered. In order to qualify to attend and vote at the SGM, all transfer documents accompanied by the relevant Share certificates must be lodged with the Registrar at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, no later than 4:30 p.m. on Tuesday, 1 June 2021.

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

LETTER FROM THE BOARD

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.

RECOMMENDATION

The Board considers that the Capital Reorganisation and the Change in Board Lot Size are in the interest of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of the proposed special resolution for approval of the Capital Reorganisation at the SGM.

MISCELLANEOUS

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

Yours faithfully,
On behalf of the Board

Success Dragon International Holdings Limited

DING Lei

Chairman, Co-Chief Executive Officer and Executive Director

NOTICE OF SPECIAL GENERAL MEETING

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 OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that a special general meeting (the “**SGM**”) of Success Dragon International Holdings Limited (the “**Company**”) will be held at Units 5 & 6, 17/F, Convention Plaza Office Tower, 1 Harbour Road, Wan Chai, Hong Kong on Monday, 7 June 2021 at 2:30 p.m. to consider and, if thought fit, approve, with or without modifications, the following resolution as a special resolution of the Company:

SPECIAL RESOLUTION

“**THAT** subject to and conditional upon: (i) The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) granting the listing of, and permission to deal in, the Adjusted Shares (as hereinafter defined) in issue arising from the Capital Reorganisation (as hereinafter defined); and (ii) the compliance with the relevant procedures and requirements under the Companies Act 1981 of Bermuda and the Rules Governing the Listing of Securities on the Stock Exchange to effect the Capital Reorganisation, with effect from the one clear business day after the date on which this resolution is passed by the shareholders of the Company (the “**Shareholders**”):

- (a) every twenty (20) issued and unissued ordinary shares of par value of HK\$0.01 each in the share capital of the Company (the “**Existing Shares**”) be consolidated into one (1) ordinary share of par value of HK\$0.2 each (the “**Consolidated Shares**”) (the “**Share Consolidation**”);
- (b) immediately following the Share Consolidation, each of the issued Consolidated Shares be and is hereby reduced from par value of HK\$0.2 each to par value of HK\$0.01 each (the “**Issued Adjusted Shares**”) by cancelling the paid-up capital of the Company thereon to the extent of HK\$0.19 on each of the issued Consolidated Shares (the “**Capital Reduction**”);
- (c) immediately following the Capital Reduction, each authorised but unissued Consolidated Share be subdivided into twenty (20) ordinary shares of par value of HK\$0.01 each (together with the Issued Adjusted Shares, the “**Adjusted Shares**”) (the “**Share Subdivision**”, together with the Share Consolidation and the Capital Reduction, the “**Capital Reorganisation**”);
- (d) immediately following the Capital Reorganisation, the authorised share capital of the Company shall be HK\$300,000,000 divided into 30,000,000,000 Adjusted Shares of par value of HK\$0.01 each;

NOTICE OF SPECIAL GENERAL MEETING

- (e) the credits arising from the Capital Reduction be transferred to the contributed surplus account of the Company and the directors of the Company (the “**Directors**”) or a committee thereof be and are hereby authorised to use the amount then standing to the credit of the contributed surplus account of the Company to eliminate or to set off the accumulated losses of the Company and/or to eliminate or to set off the other accumulated losses of the Company which may arise from time to time and/or to pay dividend and/or to make any other distribution out of the contributed surplus account of the Company from time to time without further authorisation from the Shareholders and/or to use the credit in such other manner as may be permitted under the Bye-laws of the Company in effect from time to time and all applicable laws without any further authorisation from the Shareholders and all such actions in relation thereto be and are approved, ratified and confirmed;
- (f) all fractional Adjusted Shares resulting from the Capital Reorganisation will not be issued to holders of the same but all such fractional entitlements of the Adjusted Shares will be aggregated and sold for the benefit of the Company in such manner and on such terms as the Directors may think fit; and
- (g) the Directors be and are hereby authorised to do all such acts and things and execute all such documents on behalf of the Company, including under seal where applicable, as they may consider necessary or expedient to give effect to or in connection with the matters contemplated in this resolution.”

By order of the Board
Success Dragon International Holdings Limited
DING Lei

Chairman, Co-Chief Executive Officer and Executive Director

Hong Kong, 13 May 2021

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

Principal Place of Business in Hong Kong:
Room 903, 9/F., Tower A
New Mandarin Plaza
14 Science Museum Road
Tsim Sha Tsui East
Kowloon
Hong Kong

NOTICE OF SPECIAL GENERAL MEETING

Notes:

1. A member of the Company entitled to attend and vote at the SGM 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 “**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 SGM (i.e. by 2:30 p.m. on Saturday, 5 June 2021) or any adjournment thereof.
3. For determining the entitlement of the shareholders of the Company to attend and vote at the SGM, the register of members of the Company will be closed from Wednesday, 2 June 2021 to Monday, 7 June 2021, both days inclusive, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the SGM, all completed transfer documents, accompanied by relevant share certificates, must be lodged with the Registrar at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong for registration no later than 4:30 p.m. on Tuesday, 1 June 2021.
4. Delivery of an instrument appointing a proxy shall not preclude a member of the Company from attending and voting in person at the SGM or any adjournment thereof and in such event, the instrument appointing a proxy shall be deemed to be revoked.
5. Where there are joint holders of any Share, any one of such joint holders may vote, either in person or by proxy, in respect of such Share as if he/she were solely entitled thereto, but if more than one of such joint holders be present at any meeting the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.
6. If Typhoon Signal No. 8 or above, or a “black” rainstorm warning or “extreme conditions after super typhoons” announced by the Government of Hong Kong is/are in effect any time after 10:00 a.m. on the date of the SGM, the meeting will be postponed. The Company will publish an announcement on the website of the Company at <http://www.successdragonintl.com> and on the website of the Stock Exchange at <http://www.hkexnews.hk> to notify Shareholders of the date, time and venue of the rescheduled meeting.
7. In order to facilitate the prevention and control of the spread of the Coronavirus Disease 2019 (COVID-19) pandemic and to safeguard the health and safety of the Shareholders, the Company encourages Shareholders to consider appointing the chairman of the SGM as his/her proxy to vote on the relevant resolution at the SGM as an alternative to attending the SGM in person.