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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)

POSITIVE PROFIT ALERT

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, Laws of Hong Kong.

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on a preliminary review of the unaudited consolidated management accounts of the Group for the six months ended 30 September 2021 (the “**Current Period**”) and assessment of the latest information currently available to the Board, the Group is expected to record a net profit of approximately HK\$4.4 million for the Current Period as compared with a net loss of approximately HK\$6.1 million for the six months ended 30 September 2020 (the “**Last Period**”).

The expected turnaround from a net loss in the Last Period to a net profit in the Current Period is mainly attributable to the net effect of (i) increase in revenue of gold-laden carbon processing and trading business from approximately HK\$29.6 million in the Last Period to approximately HK\$85.5 million in the Current Period as the Group has improved its production efficiency and able to supply larger quantity of gold to its customers after gaining more production experience since the commencement of the business in March 2020; (ii) increase in revenue of outsourced business process management business from approximately HK\$17.8 million in Last Period to approximately HK\$19.1 million in Current Period due to ease of control on measures against the spread of COVID-19 pandemic by the Macau government as less number of infected cases recorded which attract more business; (iii) increase in gross profit from approximately HK\$8.8 million in Last Period to approximately HK\$21.4 million in Current Period which is in line with the increase in revenue during the Current Period; and (iv) partly offset by increase in income tax expense from approximately nil in the Last Period to approximately HK\$2.7 million in the Current Period.

The Company is still in the process of finalising the unaudited consolidated result for the Current Period. The information contained in this announcement is only based on the information currently available to the Board and the preliminary review of the unaudited consolidated management accounts of the Group for the Current Period, which have not yet been reviewed by the audit committee of the Company and maybe subject to adjustments. The actual financial results of the Group for the Current Period may be different from the information disclosed in this announcement. Shareholders and potential investors of the Company are advised to read carefully the results announcement of the Company for the Current Period, which is expected to be published on 26 November 2021.

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

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

Hong Kong, 22 November 2021

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