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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)

PROPOSED SHARE PREMIUM REDUCTION

The board (the "**Board**") of directors (the "**Director(s)**") of Success Dragon International Holdings Limited (the "**Company**") intends to put forward a proposal to the shareholders of the Company (the "**Shareholders**") at the special general meeting of the Company (the "**SGM**") to reduce the amount standing to the credit of the share premium account of the Company in accordance with the Companies Act 1981 of Bermuda (as amended from time to time) (the "**Companies Act**") and the bye-laws of the Company (the "**Share Premium Reduction**").

The amount standing to the credit of the share premium account of the Company (the "**Share Premium Account**") as at 31 March 2026 was approximately HK$1,444,531,000. It is proposed that (i) the entire amount standing to the credit of the Share Premium Account be reduced to nil and that approximately HK$1,095,193,000 of the credit arising from the Share Premium Reduction be applied to offset the entire amount of the accumulated losses of the Company as at 31 March 2026; and (ii) the remaining balance of approximately HK$349,338,000 arising therefrom be transferred to the contributed surplus account of the Company in accordance with the Companies Act and the bye-laws of the Company.

Conditions of the Share Premium Reduction

The Share Premium Reduction will be conditional upon:

(a) the passing of a special resolution by the Shareholders at the SGM to approve the Share Premium Reduction; and

(b) the compliance with section 46(2) of the Companies Act to effect the Share Premium Reduction, including the Directors having been satisfied that on the Effective Date (as defined below), there are no reasonable grounds for believing the Company is or after the Share Premium Reduction would be unable to pay its liabilities as they become due.

Expected Effective Date of the Share Premium Reduction

Subject to the fulfillment of the above conditions, it is expected that the Share Premium Reduction shall become effective on the business day immediately following the date of passing of the special resolution to approve the Share Premium Reduction at the SGM (the "**Effective Date**").

Reasons and benefits of the Share Premium Reduction

As at 31 March 2026, the Company recorded accumulated losses of approximately HK$1,095,193,000. The Board is of the view that the Share Premium Reduction will allow the Company to eliminate its accumulated losses, thus enabling the Shareholders and investors of the Company to have a better appreciation of the financial position of the Company and its current businesses. Furthermore, this would also give the Company the flexibility to declare dividends to the Shareholders at the earliest opportunity in the future when the Board considers appropriate, subject to compliance with the Companies Act and the bye-laws of the Company.

Shareholders and potential investors should also be aware that there is no assurance that a dividend will be declared or paid in the future even if the Share Premium Reduction has become effective.

The Directors are of the view that there are no reasonable grounds for believing that the Company is, or after the Share Premium Reduction becoming effective would be, unable to pay its liabilities as they become due.

In view of the above, the Directors consider that the Share Premium Reduction is beneficial to the Company and its Shareholders as a whole.

Effect of the Share Premium Reduction

The Share Premium Reduction does not involve any reduction in the authorised or issued share capital of the Company nor does it involve any reduction in the nominal value of the shares of the Company of HK$0.01 each (the "**Shares**") or the trading arrangements concerning the Shares. Save for the expenses to be incurred in relation to the Share Premium Reduction, the implementation of the Share Premium Reduction will not, in itself, have a material adverse effect on the underlying assets, business operations, management or financial position of the Company or the interests of the Shareholders as a whole.

GENERAL

A circular containing, among other things, further details of the Share Premium Reduction together with a notice convening the SGM will be despatched to the Shareholders in due course. No Shareholder is required to abstain from voting on the resolution proposed to consider and approve the Share Premium Reduction.

Shareholders and potential investors should also be aware of and take note that the Share Premium Reduction is conditional upon satisfaction of the conditions set out in this announcement. Therefore, the Share Premium Reduction may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares and other securities of the Company.

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

Hong Kong, 11 November 2026

As at the date of this announcement, the executive directors of the Company are Mr. DING Lei and Mr. WANG Baozhi; the independent non-executive Directors are Mr. DENG Yougao, Ms. WANG Yan, Ms. WONG Chi Yan and Professor CHEUNG Ka Yue.