Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, 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 announcement.

S.A.S. Dragon Holdings Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 1184)

SUPPLEMENTAL ANNOUNCEMENT EXCEEDED ANNUAL CAP OF CONTINUING CONNECTED TRANSACTION IN RELATION TO SALES TRANSACTION

Reference is made to the announcement of the Company dated 25 March 2026, in relation to the actual transaction amount of the Sale Transactions under the Conditional Master Agreement for the year ended 31 December 2025 exceeded the Original Annual Cap (the "**Announcement**"). Unless otherwise defined, capitalized terms used in this announcement shall have the same meaning as those defined in the Announcement.

The Board wishes to provide further information on (1) the background of exceeding the Original Annual Cap and (2) the remedial measures adopted by the Company under the Enhanced Internal Control Measures in respect of its continuing connected transaction.

BACKGROUND

The Original Annual Cap was exceeded on 24 December 2025 for the reason that the transaction amount of the Sales Transactions for the fourth quarter of 2025 surged unexpectedly compared to the average transaction amount for the preceding three quarters of 2025. It constituted a breach of Listing Rules 14A.54.

With respect to the monitoring of the annual cap of the Sale Transactions for the year 2025, the Finance and Risk Management Manager of the Finance Department (the "**Finance and Risk Management Manager**") undertook the Previous Internal Control Measures by regularly collating transaction data and reviewing the cumulative utilisation of the annual cap. However, the Finance and Risk Management Manager delayed the monthly review of the Sale Transactions in December 2025, which was only completed on 24 February 2026 instead of the scheduled 31 January 2026.

The reasons for the delay in identifying the exceedance of the annual cap and the delay in completing the monthly review of the Sale Transactions in December 2025 which was completed on 24 February 2026 are as follows:

(a) Year-end closing and annual audit workload

The delay was primarily attributable to the additional workload arising from year-end closing procedures and annual audit arrangements. The Finance Department was required to prioritise these mandatory tasks which consumed significant resources and inevitably postponed the scheduled monthly review of the Sale Transactions.

(b) Administrative oversight

In addition, there was administrative oversight in the internal scheduling of tasks.

(c) Non-adherence to monthly review timetable and lack of contingency mechanism

The Finance Department did not strictly adhere to the established monthly review timetable and lacked a contingency mechanism to ensure timely completion during peak audit periods, which further contributed to the delay.

ENHANCED INTERNAL CONTROL MEASURES

The Company now adopts the Enhanced Internal Control Measures as follows:-

(1) Enhanced daily monitoring of actual transaction amount

The Company has designated the Dual Personnel (as increased from only one key staff) which comprise of the Finance and Risk Management Manager and the Chief Financial Officer to closely monitor the actual transaction amounts daily.

The existence of dual staff for the same task can ensure that there is always at least one suitably qualified individual who is familiar with the Group's continuing connected transactions to assume the role and responsibilities of the other in case of his/her absence, which helps avoid **(b) administrative oversight** and prevent any **(c) non-adherence to monthly review timetable and lack of contingency mechanism.** The Chief Financial Officer being the more senior officer will overlook and supervise the work of the Finance and Risk Management Manager in additional to the checks and balances against each other between the two of them.

The Dual Personnel are responsible for closely tracking actual transaction amounts with reference to the system online figure of the sales transaction amount generated from the Company's internal online system (the "**System Online Figure**") on a daily basis. The System Online Figure is expressly subject to further adjustment, as the Finance Department will subsequently check and reconcile each transaction against records from over 500 suppliers across 3 jurisdictions to ensure accuracy.

The Dual Personnel will also check the real-time System Online Figure against the corresponding annual cap to avoid any potential exceedance so they can flag to the Board without delay.

(2) Additional resources allocated

Further to the Dual Personnel, the Company has now designated more members from other departments of the Group to be responsible for the Sale Transactions. The team now consists more than 15 members of the Finance Department, as increased from 10 members.

These enhanced arrangements help tackle the reason of **(a) year-end closing and annual audit workload**.

(3) Monthly review & escalation to Board at 80% utilisation threshold

At each month end, the Dual Personnel will adjust the System Online Figure and prepare the monthly Updated Budget Figure within 12 working days (as reduced from 20 working days).

The Dual Personnel will incorporate (1) the actual transaction amount of that corresponding month with (2) the annual forecast of the remaining months of the year which is also updated monthly with reference to the actual transaction amount of each month.

Monthly independent review of the Updated Budget Figure will then be conducted by the Board. If the Updated Budget Figure reaches the 80% utilisation threshold, all existing or future shipments of sale goods will require pre-approval from the Board. If the Board is of the view that the annual cap will be exceeded after consideration, the Board will decide to discontinue the transaction within 3 working days.

(4) Trainings

To further strengthen compliance and prevent recurrence of similar incidents, the Company has implemented enhanced remedial measures as follows:–

(i) The first enhanced training session was arranged in March 2026 for the Finance Department, Directors and senior management of the Company on the Listing Rules requirements applicable to connected transactions which emphasize the importance of timely monitoring, escalation procedures, and compliance with Rule 14A of the Listing Rules.

(ii) The Company will continue to arrange on a regular basis additional trainings for employees in the business operation department and the Finance Department, to strengthen their familiarity with the Listing Rules and enhance their awareness of compliance with the relevant internal control procedures. Refresher sessions will also be arranged when there are updates to the Listing Rules or changes in internal procedures.

(iii) The Company will also incorporate compliance training into the onboarding process for new joiners in relevant departments. This ensures that new personnel are promptly familiarized with the Group's internal control measures and the Listing Rules requirements.

The training record will be disclosed in the next corporate governance report of the Group.

LISTING RULES IMPLICATIONS

The Company has failed to comply with independent shareholders' approval requirements before the Original Annual Cap was exceeded under Chapter 14A of the Listing Rules. As the transactions have already completed, the Company shall not seek retrospective shareholders' approval.

The Company confirms that no similar breaches have occurred prior to this incident and, up to the date of this announcement, none have arisen. The Company does not anticipate any reoccurrence of similar breaches of the Listing Rules in the future.

By order of the Board
S.A.S. Dragon Holdings Limited
Dr. Yim Yuk Lun, Stanley *SBS BBS JP*
Chairman and Managing Director

Hong Kong, 13 November 2026

As at the date of this announcement, the Board comprises four executive directors, namely Dr. Yim Yuk Lun, Stanley SBS BBS JP, Mr. Yim Tsz Kit, Jacky, Mr. Wong Wai Tai and Mr. Tsui Chi Wing, Eric, two non-executive directors, namely Mr. Wong Sui Chuen and Ms. Yim Kei Man, Carmen and three independent non-executive directors, namely Mr. Wong Tak Yuen, Adrian, Mr. Cheung Chi Kwan and Mr. Wong Wai Kin.