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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)

**SUPPLEMENTAL ANNOUNCEMENT TO
THE INTERIM RESULTS
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2025
REGARDING PREPAYMENTS TO SUPPLIERS
CONSTITUTING ADVANCES TO ENTITIES
AND
NON-COMPLIANCE WITH THE LISTING RULES**

PREPAYMENTS TO SUPPLIERS

References are made to (i) the Interim Report and (ii) the Interim Results, respectively. As at 30 September 2025, the Company recorded prepayments for the gold processing and trading business of approximately HK\$36.3 million. The Prepayments were made to the Suppliers for the procurement of gold ore and gold-laden carbon from time-to-time in the ordinary and usual course of business of the Group and were negotiated on normal commercial terms. The Prepayments represented the settlement of the purchase price for the gold ore and gold-laden carbon prior to delivery thereof to the Group, the practice of which is in line with industry norms to secure sufficient supply and timely delivery of the gold ore and gold-laden carbon for the production of gold concentrates and gold bullion, respectively.

LISTING RULES IMPLICATIONS

Pursuant to Rules 13.13 and 13.15 of the Listing Rules, where the relevant advance to an entity exceeds 8% of the Assets Ratio, a general disclosure obligation arises for the Company. Further, under Rules 13.14 and 13.15 of the Listing Rules, where the relevant advance to an entity increases from that previously disclosed under Rules 13.13 and 13.14 of the Listing Rules and such amount of increase since the previous disclosure is 3% or more under the Assets Ratio, a general disclosure obligation arises for the Company. The outstanding balance of certain Prepayments either exceeded 8% under the Assets Ratio at the material time or increased 3% or more from that previously disclosed under the Assets Ratio at the material time, and therefore the Company is required to disclose the details thereof in accordance with Rule 13.15 of the Listing Rules.

BACKGROUND

References are made to (i) the Interim Report and (ii) the Interim Results, respectively. As at 30 September 2025, the Company recorded prepayments for the gold processing and trading business of approximately HK\$36.3 million. The Prepayments were made to the suppliers for the procurement of gold ore and gold-laden carbon from time-to-time in the ordinary and usual course of business of the Group and were negotiated on normal commercial terms. The Prepayments represented the settlement of the purchase price for the gold ore and gold-laden carbon prior to delivery thereof to the Group, the practice of which is in line with industry norms to secure sufficient supply and timely delivery of the gold ore and gold-laden carbon for the production of gold concentrates and gold bullion, respectively.

THE PREPAYMENTS TO SUPPLIERS

The following table sets out details of the Prepayments to each of the Suppliers for the six months ended 30 September 2025 which would have to be disclosed under Rules 13.13 and 13.14 of the Listing Rules:

Prepayment to Supplier (1) (Note 1)

| Relevant Date | The Outstanding Balance of Prepayment prior the relevant date | The approximate percentage of the Group's total assets prior the relevant date | The Outstanding Balance of Prepayment paid as at the relevant date | The approximate percentage of the Group's total assets at the relevant date | The approximate percentage increment of the Group's total assets compared with the previous transaction being required to be disclosed | Listing Rules implications |
|-------------------|---|--|--|---|--|--|
| 18 April 2025 | HK\$(6,617,819) (Note 3) | N/A (Note 3) | HK\$21,913,849 | 11.0% | N/A | Subject to Rule 13.13 of the Listing Rules |
| 24 April 2025 | HK\$21,913,849 | 11.0% | HK\$36,125,645 | 18.1% | 7.1% (as compared with 18 April 2025) | Subject to Rule 13.14 of the Listing Rules |
| 25 April 2025 | HK\$36,125,645 | 18.1% | HK\$50,175,330 | 25.1% | 7.0% (as compared with 24 April 2025) | Subject to Rule 13.14 of the Listing Rules |
| 25 August 2025 | HK\$11,824,220 | 5.3% | HK\$21,334,776 | 9.6% | N/A | Subject to Rule 13.13 of the Listing Rules |
| 10 September 2025 | HK\$12,149,044 | 5.5% | HK\$21,659,600 | 9.7% | N/A | Subject to Rule 13.13 of the Listing Rules |

Prepayment to Supplier (2) (Note 2)

| Relevant Date | The Outstanding Balance of Prepayment prior the relevant date | The approximate percentage of the Group's total assets prior the relevant date | The Outstanding Balance of Prepayment paid as at the relevant date | The approximate percentage of the Group's total assets at the relevant date | The approximate percentage increment of the Group's total assets compared with the previous transaction being required to be disclosed | Listing Rules implications |
|---------------|---|--|--|---|--|--|
| 2 April 2025 | HK\$10,917,728 | 5.5% | HK\$20,325,173 | 10.2% | N/A | Subject to Rule 13.13 of the Listing Rules |
| 8 April 2025 | HK\$20,325,173 | 10.2% | HK\$31,132,623 | 15.6% | 5.4% (as compared with 2 April 2025) | Subject to Rule 13.14 of the Listing Rules |
| 25 April 2025 | HK\$31,780,419 | 15.9% | HK\$42,047,496 | 21.1% | 5.5% (as compared with 8 April 2025) | Subject to Rule 13.14 of the Listing Rules |
| 2 July 2025 | HK\$33,147,434 | 16.6% | HK\$73,681,906 | 33.1% | 14.2% (as compared with 25 April 2025) | Subject to Rule 13.14 of the Listing Rules |

Notes:

1. The prepayments to Supplier (1) represent the settlement of the purchase price for the gold ore prior to delivery thereof to the Company, Supplier (1) would then settle the price of gold ore delivered to the Group by utilising the prepayments paid and a net payable balance is recorded if the prepayments are insufficient to cover the purchase price of the gold ore. Such practice is in line with industry norms to secure sufficient supply and timely delivery of the gold ore for the production of gold concentrates in Henan. The prepayments to Supplier (1) are without any interest or collateral.
2. The prepayments to Supplier (2) represent the settlement of the purchase price for the gold-laden carbon prior to delivery thereof to the Company, Supplier (2) would then settle the price of gold-laden carbon delivered to the Group by utilising the prepayments paid and a net payable balance is recorded if the prepayments are insufficient to cover the purchase price of the gold-carbon laden. Such practice is in line with industry norms to secure sufficient supply and timely delivery of gold-laden carbon for the production of gold bullion in Yunnan. The prepayments to Supplier (2) are without any interest or collateral.
3. The outstanding balance of the advance to an entity is negative if the supplier supplied gold ore or gold-laden carbon in excess of the prepayments paid.

INFORMATION ON THE SUPPLIERS

Supplier (1) is a company incorporated in the PRC with limited liability and is principally engaged in mineral processing and sales of metal ore in the PRC. As at the date of this announcement, Supplier (1) is owned as to 80% by Li Zhihua* (李志華) and 20% by Li Yanhong* (李彥紅), respectively. To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, Supplier (1) and its ultimate beneficial owners are Independent Third Parties.

Supplier (2) is a company incorporated in the PRC with limited liability and is principally engaged in non-coal mines mineral resources, mineral processing and sales of metal ore in the PRC. As at the date of this announcement, Supplier (2) is ultimately and entirely owned by Zhang Chunguang* (張春光). To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, Supplier (2) and its ultimate beneficial owner are Independent Third Parties.

The Group has performed background and credit risk assessment on the Suppliers by (a) conducting research on their identity, background and purpose of the prepayment; (b) reviewing and assessing their business operations, financial conditions and creditability; and (c) reviewing internal data on past transactions, including delivery timelines, to monitor the performance of the Suppliers.

The Group has also implemented various ongoing monitoring and risk management procedures, which include conducting regular visits with the Suppliers, performing public searches and obtaining information on any legal disputes, regulatory and media reports concerning the business or affairs of the Suppliers to understand their latest business development and management condition.

REASONS FOR AND BENEFITS FOR THE ENTERING INTO OF THE AGREEMENT

The principal activity of the Company is investment holding and the principal activities of the Group are the gold processing business in the PRC. The Group currently has processing production lines for gold-laden carbon in Yunnan Province and gold ore in Henan Province in the PRC under leased plants, respectively. The Prepayments enable the Group to secure a stable supply of gold ore and gold-laden carbon, respectively, which are essential raw materials for the Group's gold processing operations. By making advance payments to the Suppliers, the Group can mitigate potential disruptions arising from fluctuations in the availability of such mineral resources. In view of the above, the Directors consider that the Prepayments made were on normal commercial terms and in the ordinary course of business of the Company.

LISTING RULES IMPLICATIONS

Pursuant to Rules 13.13 and 13.15 of the Listing Rules, where the relevant advance to an entity exceeds 8% under the Assets Ratio, a general disclosure obligation arises for the Company. Further, under Rules 13.14 and 13.15 of the Listing Rules, where the relevant advance to an entity increases from that previously disclosed under Rules 13.13 and 13.14 of the Listing Rules and such amount of increase since the previous disclosure is 3% or more under the Assets Ratio, a general disclosure obligation arises for the Company. The outstanding balance of certain Prepayments exceeded 8% under the Assets Ratio at the material time and therefore the Company is required to disclose the details thereof in accordance with Rule 13.15 of the Listing Rules.

REMEDIAL MEASURES

The Company initially considered that the Prepayments fell within the exception under Rule 13.15A of the Listing Rules at the material time. The Board regrets having failed to announce the Prepayments in a timely manner, which was a one-off misinterpretation of the application of Rules 13.13, 13.14 and 13.15A of the Listing Rules. The Board is of the view that the Company's non-compliance with the relevant requirements under Chapter 13 of the Listing Rules with respect to the Prepayments was unintentional and inadvertent, and the Company will take the following remedial actions to prevent the recurrence of similar incidents in the future:

- (i) the Company has arranged a training session on Chapters 13 and 14 of the Listing Rules for the Directors, the company secretary and the financial controller on 12 January 2026 to enhance and reinforce their understanding of the Listing Rules;
- (ii) the Company will provide ongoing quarterly training and guidance materials to the Directors and its management team, in particular, the finance team, to strengthen and reinforce their knowledge and understanding relating to disclosure requirements under the Listing Rules, in particular Rules 13.13, 13.14, 13.15 and 13.15A of the Listing Rules, as well as their ability to identify potential issues at an early stage;
- (iii) the Company will enhance ongoing coordination and reporting arrangements among various subsidiaries and departments of the Group to oversee relevant transactions of the Group, including the advances to or payable balances with the suppliers, and subsidiaries will be required to closely monitor the relevant transactions to ensure that the applicable requirements of the Listing Rules are complied with in a timely manner; and
- (iv) the Company will seek external legal or other professional advice as and when necessary for any actions required to be taken in relation to regulatory compliance.

The Company will comply with the disclosure requirements according to Rule 13.20 of the Listing Rules for so long as circumstances giving rise to such disclosure obligation continues to exist.

Save as disclosed above, as at the date of this announcement, the Company does not have any other disclosure obligations under Rules 13.13, 13.14 and 13.15 of the Listing Rules.

DEFINITIONS

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

| | |
|--------------------------------|--|
| “Assets Ratio” | the assets ratio defined under Rule 14.07 of the Listing Rule |
| “Board” | the board of Directors |
| “Company” | Success Dragon International Holdings Limited (勝龍國際控股有限公司), a company incorporated in Bermuda with limited liability whose issued shares are listed on the main board of the Stock Exchange (stock code: 1182) |
| “connected person(s)” | has the meaning ascribed to it under the Listing Rules |
| “Director(s)” | the director(s) of the Company |
| “Group” | the Company and its subsidiaries |
| “Hong Kong” | the Hong Kong Special Administrative Region of the PRC |
| “Independent Third Party(ies)” | third party(ies) independent of and not connected with the Company and its connected persons |

| | |
|-------------------|---|
| “Interim Report” | the interim report of the Group for the six months ended 30 September 2025 |
| “Interim results” | the interim results announcement of the Group for the six months ended 30 September 2025 |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange |
| “PRC” | the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan |
| “Prepayments” | the prepayments made to the Suppliers for the procurement of gold ore and gold-laden carbon from time-to-time in the ordinary and usual course of business of the Group and negotiated on normal commercial terms |
| “Share(s)” | ordinary shares(s) of the Company |
| “Shareholder(s)” | holder(s) of the Share(s) |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “subsidiary(ies)” | has the meaning ascribed to it under the Listing Rules |
| “Supplier (1)” | Luanchuan County Hongbang Mining Company Limited* (欒川縣宏邦礦業有限公司), a company incorporated in the PRC with limited liability |

| | |
|----------------|--|
| “Supplier (2)” | Mojiang County Changyi Mining Company Limited* (墨江縣昌益礦業有限公司), a company incorporated in the PRC with limited liability |
| “Suppliers” | collectively, Supplier (1) and Supplier (2) |
| “%” | per cent |

* For identification purposes only

By order of the Board
Success Dragon International Holdings Limited
LIU Shiwei
Chairman and Executive Director

Hong Kong, 12 February 2026

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