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Scorching Dragon Holdings Limited

炙龍控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8493)

**(1) QUARTERLY UPDATE ON BUSINESS PROGRESS AND
STATUS OF RESUMPTION;
(2) QUARTERLY PROGRESS UPDATE ON THE ACTION PLAN
TO ADDRESS THE DISCLAIMER OF OPINION
IN THE 2025 ANNUAL REPORT;
AND
(3) CONTINUED SUSPENSION OF TRADING**

This announcement is made by Scorching Dragon Holdings Limited (the “**Company**” together with its subsidiaries, the “**Group**”) pursuant to Rules 17.10 and 17.26A of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) (the “**GEM Listing Rules**”) and the Inside Information Provisions (as defined under the GEM Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong).

Reference is made to (i) the annual report of the Company for the year ended 31 December 2025 (the “**2025 Annual Report**”); (ii) the Company’s quarterly update announcements dated 31 October 2025, 30 January 2026 and 17 April 2026 (the “**Quarterly Update Announcements**”); (iii) the circular of the Company dated 26 September 2025 (the “**Circular**”); and (iv) the Company’s announcement dated 19 January 2026 in relation to resumption guidance issued by the Stock Exchange (the “**RG Announcement**”). Terms used herein shall have the same meanings as defined in the 2025 Annual Report, the Quarterly Update Announcements, the Circular and the RG Announcement, unless otherwise stated.

RESUMPTION GUIDANCE

On 9 January 2026, the Company received a letter (the “**Letter**”) from the Stock Exchange setting out the guidance for the resumption of trading in the Shares on the Stock Exchange (the “**Resumption Guidance**”). Pursuant to the Resumption Guidance, the Company shall:

- (i) demonstrate its compliance with GEM Rule 17.26;
- (ii) re-comply with GEM Rules 5.05(1) and 5.28; and

- (iii) inform the market of all material information for the Company's shareholders and investors to appraise its position.

The Company must meet all the Resumption Guidance, remedy the issues causing its trading suspension, and fully comply with the GEM Listing Rules to the Stock Exchange's satisfaction before trading in its securities is allowed to resume.

If the Company fails to remedy the issues causing its trading suspension, fulfil the Resumption Guidance and fully comply with the GEM Listing Rules to the Stock Exchange's satisfaction and resume trading in its Shares by 19 October 2026, the Listing Division will recommend the Listing Committee to proceed with the cancellation of the Company's listing.

QUARTERLY UPDATE ON BUSINESS PROGRESS

Reference is made to the Company's announcement dated 17 October 2025. The then only operating Chinese restaurant of the Group had been forced to suspend its business operation due to the failure of the repayment of an outstanding judgment debt. Since then, the management of the Company has been using its best efforts to work out a viable business strategy for the future business development of the Group's Chinese restaurants.

Reference is made to the Company's announcement dated 23 December 2025, 19 January 2026, 26 March 2026 and 16 April 2026. In 2026, the Group has opened three new Chinese restaurants under the brand names of "Tong Yay Seafood Restaurant (唐悦海鮮酒家)" (formerly known as "旺角(龍皇)海鮮菜館 (Mong Kok (Dragon King) Seafood Restaurant)" (the "**Mong Kok Restaurant**"), "Tong Arch (唐坊)" (the "**Lai Chi Kok Restaurant**") and "Tong Arch Pavilion (唐坊火鍋私房菜)" (the "**Yaumatei Restaurant**"). These restaurants offer a wide range of Chinese cuisine, including handmade dim sum, roasted meats ("siu mei"), fresh seafood, soups and signature dishes suitable for group dining, traditional Chinese banquets and family dining. The Yaumatei Restaurant also offers home-style gourmet dishes and premium hotpot featuring fresh seasonal seafood, quality meats, specialty soup bases and signature dishes that blend traditional flavours with modern culinary techniques.

Reference is also made to the announcement of the Company dated 6 July 2026. TF F&B Limited ("**TF F&B**"), an indirect wholly-owned subsidiary of the Company, as tenant, entered into a provisional tenancy agreement in respect of the leasing of premises situated in Tsim Sha Tsui, for a term of two years commencing from 16 July 2026, for the operation of a new Chinese restaurant in Tsim Sha Tsui East (the "**TSTE Restaurant**") by the Group. The TSTE Restaurant intends to offer classic Hong Kong-style cuisine, dim sum, signature dishes and set menus, with the aim of attracting families and tourists seeking a relaxed dining experience. It is expected that the TSTE Restaurant will commence operations in mid-August 2026.

Reference is also made to the announcement of the Company dated 10 July 2026. TF F&B, as tenant, entered into a letter of offer in respect of the proposed leasing of premises in Cheung Sha Wan, for a term of two years commencing on 17 August 2026. Subject to the fulfilment or waiver of the conditions precedent under the letter of offer, including the obtaining of Shareholders' approval at the Company's extraordinary general meeting, the Group intends to operate a new modern Hong Kong-style restaurant under the business name of "Tong Arch Joie Kitchen (唐坊快樂小廚)" (the "**Cheung Sha Wan Restaurant**") at such premises.

The opening of the Mong Kok Restaurant, the Lai Chi Kok Restaurant and the Yaumatei Restaurant, together with the proposed opening of the TSTE Restaurant and the Cheung Sha Wan Restaurant, represent the determination of the Board to proactively reformulate and redevelop the Group's business operations, diversify its restaurant portfolio, broaden its revenue base and enhance its operational and administrative efficiency.

UPDATE ON PROGRESS OF FULFILMENT OF RESUMPTION GUIDANCE

The Board would like to provide the following updates on the status of the satisfaction of the resumption conditions pursuant to the Resumption Guidance:

Resumption Condition (i) – demonstrate its compliance with GEM Rule 17.26

The Company is an investment holding company. The Group is a Cantonese restaurant group operating Cantonese cuisines restaurant under its self-owned brand. In line with its strategy to provide high quality food and services and to diversify its cuisine offerings and revenue base, the Group has been actively identifying quality restaurant businesses in the Cantonese and Asia-Pacific cuisine segments to expand its business footprint.

At present, the Group has opened three Chinese restaurants and is planning to open two new Chinese restaurants. The Group's restaurant portfolio covers different dining concepts, from exquisite Chinese fried dishes suitable for small group gatherings, Chinese home-style gourmet dishes and hotpot, to traditional full-service Chinese restaurant in different prime locations in Hong Kong capable of serving different classes of customers.

Additionally, once the Group's Chinese catering business is firmly revitalised, it will explore business or investment opportunities in other dining categories in order to diversify business risks associated with focusing solely on the Chinese catering industry and to adapt to the everchanging consumer preferences, ultimately striking for the best interests of the Company and its shareholders.

The Board remains fully committed to the Company and will closely monitor the business operations and financial position of the Company, take appropriate measures and make further announcement(s) as and when appropriate. The Directors believe that the Group is now well prepared to demonstrate that its business operations are sufficiently robust to comply with GEM Rule 17.26.

Resumption Condition (ii) – re-comply with GEM Rules 5.05(1) and 5.28

The Company has fulfilled resumption condition (ii) since 16 January 2026.

Resumption Condition (iii) – inform the market of all material information for the Company’s shareholders and investors to appraise its position

To the best of the Directors’ knowledge, information and belief, the Company has disclosed all material information for its shareholders and potential investors to appraise the Company’s position. The Company will continue to make announcement(s) as and when appropriate in accordance with the GEM Listing Rules to keep its shareholders and potential investors informed of all material information of the Group.

QUARTERLY UPDATE ON THE ACTION PLAN TO BE TAKEN BY THE COMPANY TO ADDRESS THE DISCLAIMER OF OPINION IN THE 2025 ANNUAL REPORT

The Group’s auditor, Prism Hong Kong Limited, issued a disclaimer of opinion (the “**Disclaimer Opinion**”) on the Group’s consolidated financial statements for the year ended 31 December 2025 (“**FY2025**”). As described in Note 3.1 to the Group’s consolidated financial statements for FY2025, the Group’s current liabilities exceeded its current assets by approximately HK\$155,334,000, and the Group had net liabilities of approximately HK\$130,742,000 as at 31 December 2025. As at the same date, the Group’s total current interest-bearing borrowings amounted to approximately HK\$84,178,000, while its cash and cash equivalents amounted to approximately HK\$3,736,000 only.

The Group’s auditor was of the view that these conditions, together with other matters described in Note 3.1 to the Group’s consolidated financial statements for FY2025, indicated the existence of material uncertainties which may cast significant doubt about the Group’s ability to continue as a going concern and therefore it may be unable to realise its assets and discharge its liabilities in the normal course of business.

As disclosed in the 2025 Annual Report, the Company has formulated an action plan to address the Disclaimer of Opinion. The Board wishes to provide a quarterly update on the latest progress of the action plan and the measures implemented by management to improve the Group’s financial position and address the underlying factors leading to the Disclaimer of Opinion. The updated progress of the key measures is summarised below:

(i) Planning for equity fundraising exercise

As disclosed in the 2025 Annual Report, the Company is in the process of contemplating equity fundraising exercises including but not limited to rights issue, issue of new shares and/or convertible bonds. The Company intends to apply the proceeds for the repayment of the liabilities and for further expansion of the Group’s existing business segment.

As disclosed in the Quarterly Update Announcements, the effective date of the Share Consolidation, together with other dates set out in the expected timetable in the Circular, will be postponed to later dates to be announced by the Company. The completion of the Capital Reduction and the Share Sub-division is also still subject to various conditions as set out in the Circular.

The Company will use its best endeavours to explore further fundraising opportunities, targeting to conduct another equity fundraising exercise in due course when appropriate, having regard to the Group's funding requirements and prevailing market conditions. Further announcement(s) will be made by the Company as and when appropriate in compliance with the GEM Listing Rules.

(ii) Seeking extension for repayment of liabilities

The Company has been maintaining regular communication with its banks and other creditors.

The Company reached an alternative repayment arrangement with one of its creditors in December 2025 and will continue to liaise with its other creditors to assess the feasibility of extending or deferring repayment obligations, or to consider other alternative repayment arrangements. The Group will continue to seek appropriate legal and financial advice in this regard. The Board believes that the potential improvements arising from recent business development opportunities in relation to the Group's operations, together with the Hong Kong Government's continued efforts to promote tourism, will provide a favourable environment for the renewal or extension of the Group's loan facilities.

(iii) Developing and exploring different business opportunities in relation to its operation

As disclosed in the section headed "Quarterly Update on Business Progress", the Group has opened three restaurants and plans to open two additional restaurants. Building on the above business progress, the Group will continue to monitor market conditions in the food and beverage sector and identify suitable opportunities to expand and diversify the Group's restaurant portfolio and revenue base.

(iv) Enforcing cost-saving measures

The Company will continue to implement different cost-saving measures to improve operational efficiency and address the going concern issue. These measures include ongoing efforts to reduce administrative and operating expenses through supplier re-negotiations, enhanced inventory and energy management, and optimisation of manpower deployment.

CONTINUED SUSPENSION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange was suspended with effect from 9:00 a.m. on 20 October 2025 and will remain suspended until further notice pending the fulfilment of the Resumption Guidance. Further announcement(s) will be made by the Company as and when appropriate and in accordance with the requirements of the GEM Listing Rules.

Shareholders and potential investors should exercise caution when dealing in the securities of the Company.

By order of the Board
Scorching Dragon Holdings Limited
Chan Yuen Lung Alfred
Executive Director and Chairman

Hong Kong, 17 July 2026

As at the date of this announcement, the Board comprises Mr. Chan Yuen Lung Alfred, and Ms. Tang Po Yee Joey as executive Directors; and Mr. Chow Yik, Mr. Yu Kwan Tseung Alvin and Mr. Tam Tsz Hin as independent non-executive Directors.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange of Hong Kong Limited 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 contained in this announcement 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 announcement misleading.

This announcement will remain on the “Latest Listed Company Information” page of the Stock Exchange’s website at www.hkexnews.hk for at least 7 days from the day of its publication and on the website of the Company.