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Dragon King Group Holdings Limited

龍皇集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8493)

DISCLOSEABLE TRANSACTION

BUSINESS INTRODUCTION AGREEMENT

THE AGREEMENT

The Board announces that on 27 June 2025, the Company entered into the Agreement with the Introducer, pursuant to which the Introducer agreed to act as an independent business intermediary to identify and introduce potential restaurant business sellers to the Group for acquisition consideration. In return, the Introducer is entitled to receive a success fee upon completion of a formal acquisition agreement between the Group and any introduced seller. The Agreement does not impose any obligation on the Group to proceed with any acquisition and does not constitute a commitment to enter into any definitive transaction.

GEM LISTING RULES IMPLICATIONS

As one or more of the percentage ratios calculated pursuant to Rule 19.06 of the GEM Listing Rules in respect of the Aggregate Amount exceeds 5% but all of the percentage ratios are than 25%, the Engagement constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements pursuant to Chapter 19 of the GEM Listing Rules.

INTRODUCTION

The Board announces that on 27 June 2025 (after trading hours), the Company entered into the Agreement with the Introducer, pursuant to which the Introducer agreed to act as an independent business intermediary to identify and introduce potential restaurant business sellers to the Group for acquisition consideration (the “**Engagement**”). In return, the Introducer is entitled to receive a success fee upon completion of a formal acquisition agreement between the Group and any introduced seller. The Agreement does not impose any obligation on the Group to proceed with any acquisition and does not constitute a commitment to enter into any definitive transaction.

THE AGREEMENT

Major terms of the Agreement are as follows:

Date: 27 June 2025 (after trading hours)

Parties: (1) the Company; and
(2) the Introducer

Nature of Services: The Introducer will act as an independent business intermediary to identify and introduce potential restaurant business sellers to the Group for acquisition consideration.

Exclusivity: During the Agreement term, the Introducer cannot introduce the same restaurant targets to other potential buyers.

Financial Arrangements:

The aggregate financial provision under the Agreement is HK\$3,000,000 (the “**Aggregate Amount**”) was paid by the Group to the Introducer upon signing of the Agreement and was funded by the Group’s internal resources. The Aggregate Amount comprises a refundable sum (the “**Refundable Earnest Money**”) designated for accessing due diligence materials from potential restaurant sellers. This amount will be released by the Introducer on a case-by-case basis, having regard to the background and information provided by each potential seller.

In addition, upon completion of any investment or acquisition by the Group involving a seller introduced by the Introducer, the Introducer will be entitled to a success fee (the “**Success Fee**”) equal to 5% of the total investment or acquisition amount under the relevant transaction. The Success Fee is payable only upon execution of a formal and binding sale and purchase agreement by the Group (or its affiliates), and shall be settled by way of deduction from the Aggregate Amount or, if insufficient, by separate payment by the Group.

The parties have further agreed that the Success Fee for each transaction shall not exceed 5% of the total consideration for such transaction, and shall in any event not be less than HK\$500,000. Any Success Fee exceeding such cap shall be subject to further negotiation and separate written agreement between the parties.

Success Fee structure

The Success Fee is determined as 5% of the total investment or acquisition amount for each completed transaction involving a seller introduced by the Introducer. Such fee is only payable upon the execution of a formal and binding sale and purchase agreement, and will be deducted from the Aggregate Amount or otherwise paid separately if the Aggregate Amount is insufficient. This performance-based structure ensures that payment is strictly contingent upon the actual execution of a definitive agreement, aligning the Introducer’s incentives with the Group’s acquisition outcomes.

Earnest money arrangements

The Refundable Earnest Money of HK\$3,000,000 is designated to facilitate the Group's access to basic operational data and preliminary due diligence materials from potential restaurant sellers. Portions of the Refundable Earnest Money will be released by the Introducer to potential restaurant sellers on a case-by-case basis, depending on, among other things, the size and background of the potential acquisition target and/or its seller.

These payments are refundable and do not constitute any commitment to acquire a business. The Introducer must enter into written earnest money agreements with each potential seller, clearly stating the Introducer's role as an independent intermediary (and not as the Group's agent), the refundable nature of the payment, and the specific refund conditions. If the Group proceeds with a formal acquisition, the relevant portion of the earnest money may, subject to the terms of the acquisition agreement, be retained by the seller and applied towards the purchase consideration.

Scope of due diligence services

The Introducer will facilitate the Group's access to preliminary due diligence materials from target restaurants through the payment of Refundable Earnest Money. The due diligence materials to be obtained include basic operational information, financial overview, legal documents and other relevant due diligence documentation of target restaurants.

Group's due diligence rights

The Group retains full discretion to conduct its own due diligence on any target restaurant introduced under the Agreement, including but not limited to financial, legal, operational and regulatory assessments. The Introducer is required to assist the Group in facilitating such due diligence, including arranging site visits and providing additional materials. The Introducer shall also ensure that the relevant restaurant owners reasonably cooperate with the Group's due diligence requests. Preliminary information provided by the Introducer is for initial evaluation purposes only and does not replace the Group's own independent investigation.

No Binding Obligations

The due diligence arrangements do not create any binding obligation on the Group to proceed with any acquisition. All due diligence activities are conducted on a non-committal basis to allow the Company to make informed investment decisions.

Refund arrangements

Any unutilised or refundable portion of the Aggregate Amount (excluding any Success Fee earned under the Agreement) shall be refunded to the Group in accordance with the Agreement. Refund events include, among others, where: (i) the Agreement expires without the Group entering into any formal sale and purchase agreement with any introduced seller; (ii) the Agreement is terminated; (iii) the Introducer commits a material breach; or (iv) any earnest money is refunded or not paid out to the seller. For the avoidance of doubt, if the Group enters into a sale and purchase agreement and the earnest money is retained by the seller as part of the purchase consideration, no refund of such amount will be required.

Term and Termination

The Agreement took effect upon signing and has a fixed term of six (6) months, unless extended by written agreement between the parties. It may be terminated earlier (i) by either party with 30 days' prior written notice, (ii) upon execution of a formal sale and purchase agreement between the Group and any restaurant owner introduced by the Introducer, or (iii) upon material breach by either party which remains unremedied after a 15-day cure period. Upon termination, any unutilised or refundable portion of the Aggregate Amount shall be dealt with in accordance with the terms of the Agreement.

INFORMATION ON THE PARTIES

The Group is a Cantonese full-service restaurant group operating Cantonese cuisines restaurant under its self-owned brand.

The Introducer, Calvary Consultant Limited, is a company incorporated in Hong Kong with limited liability. Ms. Tsang Wing Ka Joan, a merchant, is the ultimate beneficial owner of the Introducer.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of the Introducer and its ultimate beneficial owner, Ms. Tsang Wing Ka Joan, is an Independent Third Party.

REASONS FOR AND BENEFITS OF THE ENGAGEMENT

The Group is a Cantonese full-service restaurant group operating Cantonese cuisines restaurant under its self-owned brand. It is actively seeking to acquire quality restaurant businesses offering Asia-Pacific cuisines to expand its business footprint and enhance overall revenue. The Engagement provides the Company with cost-effective access to potential acquisition opportunities in the restaurant sector through a low-commitment structure that features refundable earnest money arrangements, no binding purchase obligations, and the support of a professional intermediary to identify suitable acquisition targets.

The Engagement enables the Company to explore multiple opportunities while retaining full discretion over whether to proceed with any introduced target. The refundable nature of the Aggregate Amount ensures that the Company's financial exposure is limited and will either be applied towards the Success Fee upon the execution of a formal sale and purchase agreement or be refunded in accordance with the terms of the Agreement.

The Directors consider that the terms of the Agreement are fair and reasonable, on normal commercial terms, and in the interests of the Company and its shareholders as a whole.

GEM LISTING RULES IMPLICATIONS

As one or more of the percentage ratios calculated pursuant to Rule 19.06 of the GEM Listing Rules in respect of the Aggregate Amount exceeds 5% but all of the percentage ratios are than 25%, the Engagement constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements pursuant to Chapter 19 of the GEM Listing Rules.

Shareholders and potential investors should note that the Agreement does not create any binding obligation on the Group to acquire any restaurant business and that suitable acquisition targets may or may not be identified through the Introducer’s services. The Group retains complete discretion over whether to proceed with any restaurant acquisition opportunity introduced by the Introducer. The Company has not committed to any acquisition at this stage. Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

DEFINITIONS

In this announcement, the following expressions have the following meanings:

“Agreement”	a business introduction agreement dated 27 June 2025 entered into between the Company and the Introducer
“Company”	Dragon King Group Holdings Limited (龍皇集團控股有限公司), an exempted company incorporated in the Cayman Islands with limited liability whose shares are listed and traded on GEM of the Stock Exchange (Stock Code: 8493)
“Director(s)”	the director(s) of the Company
“GEM”	GEM operated by the Stock Exchange
“GEM Listing Rules”	The Rules Governing the Listing of Securities on GEM of the Stock Exchange, as amended, supplemented or otherwise modified from time to time
“Group”	the Company and its subsidiaries from time to time
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party”	any person or company and their respective ultimate beneficial owner, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, is/are not connected persons of the Company and is/are third party independent of the Company and its connected persons in accordance with the GEM listing Rules

“Introducer”	Calvary Consultant Limited, a company incorporated in Hong Kong with limited liability
“Share(s)”	the ordinary share(s) of HK\$0.1 each in the issued share capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)

By Order of the Board
Dragon King Group Holdings Limited
Chan Yuen Lung, Alfred
Executive Director and Chairman

Hong Kong, 27 June 2025

As at the date of this announcement, the Board comprises Mr. Chan Yuen Lung, Alfred (Chairman) and Mr. Li Tao as executive Directors; and Mr. Lo Shing Shan, Mr. Chow Yik and Mr. Tsung Ching Fung as independent non-executive Directors.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules of the Stock Exchange 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 website of the Stock Exchange at www.hkexnews.hk for at least 7 days from the date of its publication and on the website of the Company at www.dragonkinggroup.com.