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Scorching Dragon Holdings Limited

炙龍控股有限公司

(Formerly known as 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)

PROFIT WARNING

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

The board (the “**Board**”) of directors (the “**Director(s)**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that based on the preliminary assessment of the unaudited consolidated management accounts of the Group for the year ended 31 December 2025 (the “**FY2025**”) and the information currently available to the Board, the Group is expected to record a net loss of approximately HK\$26.0 million to HK\$28.0 million for the FY2025 as compared to a net loss of approximately HK\$27.0 million recorded for the year ended 31 December 2024 (the “**FY2024**”).

The Board considers that the expected net loss for the FY2025 was mainly attributable to the following:

- (i) the significant decrease in revenue from approximately HK\$54.4 million for the FY2024 to approximately HK\$13.1 million for the FY2025, which was mainly attributable to the closure of two restaurants in 2024, together with the suspension of operations at the Group’s then sole remaining restaurant in October 2025. The impact of such decrease was partially offset by corresponding decreases in staff costs and other operating expenses of the restaurants as compared with the previous year; and
- (ii) the recognition of impairment losses on financial assets of approximately HK\$7.4 million for the FY2025, as compared with a reversal of impairment on financial assets of approximately HK\$0.4 million for the FY2024, primarily due to the decrease in the fair value of such financial assets during the FY2025.

Notwithstanding this, the Group has continued to take active steps to reformulate and redevelop its business operations, reflecting its determination to restore and strengthen its restaurant business. In January 2026, the Group's Chinese restaurant under the brand name “旺角(龍皇)海鮮菜館 (Mong Kok (Dragon King) Seafood Restaurant)” commenced operations, offering Cantonese cuisine, including fresh seafood, soups and signature stir-fried dishes, for a range of dining occasions, including group dining, corporate hospitality and casual meals for smaller parties.

As at the date of this announcement, the Company is still in the process of finalising its unaudited consolidated financial results of the Group for the FY2025. The information contained in this announcement is only based on the preliminary assessment of the unaudited consolidated management accounts of the Group for the FY2025 and the information currently available to the Board, which have not been finalised or reviewed by the auditor as well as the audit committee of the Company. As such the actual results for the FY2025 is subject to further adjustments, Shareholders and potential investors must exercise caution when using the information contained in this announcement to evaluate the financial performance of the Group.

Shareholders and potential investors are advised to read carefully the annual results announcement of the Company for the FY2025 which is expected to be published in late March 2026 and the subsequent publication of the 2025 annual report of the Company in accordance with the requirements of the GEM Listing Rules.

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 of the Company are advised to exercise caution when dealing in the shares of the Company.

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

Hong Kong, 26 March 2026

As at the date of this announcement, the Board comprises Mr. Chan Yuen Lung Alfred, Mr. Li Tao, 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.