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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)**

### **ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2024**

#### **CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)**

**GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.**

**Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.**

*This announcement, for which the directors (the “**Directors**”) of Dragon King Group Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) 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 (the “**GEM Listing Rules**”) 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 <http://www.hkexnews.hk> for at least 7 days from the day of its publication and on the website of the Company.*

## FINAL RESULTS

The board of Directors (the “**Board**”) of the Company announces the preliminary consolidated results of the Group for the year ended 31 December 2024 (the “**FY2024**”), together with the comparative figures for the year ended 31 December 2023 (the “**FY2023**”). The financial information of the Group has been approved by the Board.

### CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

*For the year ended 31 December 2024*

	Notes	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Revenue	4	54,444	104,453
Cost of inventories consumed		(15,565)	(29,740)
Gross profit		38,879	74,713
Other income and gains, net		196	762
Staff costs		(25,291)	(38,840)
Depreciation of property, plant and equipment		(798)	(798)
Depreciation of right-of-use assets		(302)	(78)
Impairment losses of right-of-use assets		–	(417)
Reversal of impairment/(impairment losses) on financial assets		431	(2,093)
Rental and related expenses		(7,752)	(9,623)
Other operating expenses		(27,118)	(18,865)
Finance costs	6	(2,136)	(3,282)
(Loss)/profit before tax		(23,891)	1,479
Income tax expense	7	(3,148)	(152)
(Loss)/profit for the year attributable to owners of the Company	8	(27,039)	1,327
		<i>HK cents</i>	<i>HK cents</i>
(Loss)/earnings per share –Basic and diluted	10	(11.44)	0.71

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

*For the year ended 31 December 2024*

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
(Loss)/profit for the year	(27,039)	1,327
Other comprehensive loss:		
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Exchange differences arising on translation of foreign operations	—	(10)
Total comprehensive (loss)/income for the year	<u>(27,039)</u>	<u>1,317</u>

# **CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

*As at 31 December 2024*

		<b>2024</b>	<b>2023</b>
	<i>Notes</i>	<b><i>HK\$'000</i></b>	<b><i>HK\$'000</i></b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		<b>25,501</b>	26,299
Right-of-use assets		<b>–</b>	–
Deposits		<b>50</b>	235
Deferred tax assets		<b>121</b>	3,497
		<b>25,672</b>	30,031
<b>CURRENT ASSETS</b>			
Inventories		<b>2,221</b>	3,660
Trade receivables	<i>11</i>	<b>220</b>	768
Prepayments, deposits and other receivables		<b>15,836</b>	9,307
Tax recoverable		<b>276</b>	5
Cash and cash equivalents		<b>6,891</b>	1,014
		<b>25,444</b>	14,754
<b>CURRENT LIABILITIES</b>			
Trade payables	<i>12</i>	<b>36,113</b>	36,322
Other payables and accruals		<b>37,770</b>	38,544
Bank and other borrowings		<b>93,470</b>	59,372
Lease liabilities		<b>444</b>	3,798
Amounts due to directors		<b>3,814</b>	6,166
Tax payable		<b>403</b>	485
		<b>172,014</b>	144,687
<b>NET CURRENT LIABILITIES</b>		<b>(146,570)</b>	(129,933)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>(120,898)</b>	(99,902)

	<i>Note</i>	<b>2024</b> <b><i>HK\$'000</i></b>	2023 <i>HK\$'000</i>
<b>NON-CURRENT LIABILITIES</b>			
Other borrowing		–	2,000
Lease liabilities		–	477
		<u>–</u>	<u>2,477</u>
<b>NET LIABILITIES</b>		<b><u>(120,898)</u></b>	<b><u>(102,379)</u></b>
<b>CAPITAL AND RESERVES</b>			
Share capital	13	<b>24,192</b>	20,736
Reserves		<b><u>(145,090)</u></b>	<u>(123,115)</u>
<b>TOTAL DEFICIENCY IN EQUITY</b>		<b><u>(120,898)</u></b>	<b><u>(102,379)</u></b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

## 1. GENERAL

Dragon King Group Holdings Limited (the “**Company**”) is a public limited company incorporated in the Cayman Islands and its shares are listed on GEM of The Stock Exchange of Hong Kong Limited since 16 January 2018. The registered address of the Company is Windward 3, Regatta Office Park, PO Box 1350, Grand Cayman, KY1-1108, Cayman Islands. The principal place of business of the Company is located at Suite No. A1, 7th Floor, One Capital Place, 18 Luard Road, Wanchai, Hong Kong.

The principal activity of the Group is principally engaged in operation and management of restaurants.

The consolidated financial statements are presented in Hong Kong dollars (“**HK\$**”), which is also the functional currency of the Company.

## 2. APPLICATION OF AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“**HKFRSs**”)

### Application of amendments to HKFRSs and interpretation

In the current year, the Group has applied, for its first time, the following amendments to HKFRSs and interpretation issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) which are effective for the Group’s financial year beginning on 1 January 2024.

Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and the related amendments to Hong Kong Interpretation 5(2020) Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangement

Except as described below, the application of the amendments to HKFRSs in the current year has had no material effect on the Group’s financial performance and positions for the current and prior periods and/or on the disclosures set out in these consolidated financial statements.

*Impact on application of Amendments to HKAS 1 Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) (the “2020 Amendments”); and Amendments to HKAS 1 – Non-current Liabilities with Covenants (the “2022 Amendments”)*

The 2020 Amendments clarify the requirements for classifying liabilities as current or non-current, including what is meant by a right to defer settlement and that a right to defer must exist at the end of the reporting period. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement. The amendments also clarify that a liability can be settled in its own equity instruments, and that only if a conversion option in a convertible liability is itself accounted for as an equity instrument would the terms of a liability not impact its classification. The 2022 Amendments further clarify that, among covenants of a liability arising from a loan arrangement, only those with which an entity must comply on or before the reporting date affect the classification of that liability as current or non-current. Additional disclosures are required for non-current liabilities that are subject to the entity complying with future covenants within 12 months after the reporting period.

The amendments had no impact on the consolidated financial statements of the Group.

## New and amendments to HKFRSs and interpretation issued but not yet effective

The Group has not early applied the following new and amendments to HKFRSs and interpretation that have been issued but are not yet effective:

Amendments to HKAS 21	Lack of Exchangeability <sup>1</sup>
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments <sup>2</sup>
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volume 11 <sup>2</sup>
HKFRS 18	Presentation and Disclosure in Financial Statements <sup>3</sup>
HKFRS 19	Subsidiaries without Public Accountability: Disclosures <sup>3</sup>
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>4</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2025

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2026

<sup>3</sup> Effective for annual periods beginning on or after 1 January 2027

<sup>4</sup> Effective for annual periods beginning on or after a date to be determined

### *HKFRS 18 Presentation and Disclosure in Financial Statements*

HKFRS 18 Presentation and Disclosure in Financial Statements (“**HKFRS 18**”), which sets out requirements on presentation and disclosures in financial statements, will replace HKAS 1 Presentation of Financial Statements. This new HKFRS Accounting Standard, while carrying forward many of the requirements in HKAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some HKAS 1 paragraphs have been moved to HKAS 8 Accounting Policies, Changes in Accounting Estimates and Errors and HKFRS 7 Financial Instruments: Disclosures. Minor amendments to HKAS 7 Statement of Cash Flows and HKAS 33 Earnings per Share are also made.

HKFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. The application of the new standard is expected to affect the presentation of the statement of profit or loss and disclosures in the future financial statements. The Group is in the process of assessing the detailed impact of HKFRS 18 on the Group’s consolidated financial statements.

Except for the impact of HKFRS 18, the directors of the Company considers that the adoption of the above mentioned new and amendments are not expected to have a material impact on the Group’s consolidated financial statements in future reporting periods when they become effective.

## 3. MATERIAL ACCOUNTING POLICY INFORMATION

### **Basis of preparation of consolidated financial statements**

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “**GEM Listing Rules**”) and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis except for certain properties and financial instruments that are measured at fair values, at the end of each reporting period.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. Details of fair value measurement are explained in the accounting policies set out below.

#### *Going concern assessment*

During the year ended 31 December 2024, the Group's current liabilities exceeded its current assets by approximately HK\$146,570,000 and the Group had net liabilities by approximately HK\$120,898,000. As at the same date, the Group's total current interest-bearing borrowings amounted to approximately HK\$93,470,000 while its cash and cash equivalents amounted to approximately HK\$6,891,000 only.

The directors of the Company considered the Group will have sufficient working capital to finance its operations and financial obligations as and when they fall due, and accordingly, are satisfied that it is appropriate to prepare the consolidated financial statements on a going concern basis after taking into consideration the followings:

- (i) the Group had interest-bearing bank and other borrowings of approximately HK\$93,470,000 as at 31 December 2024, of which approximately HK\$79,839,000 is repayable within one year. The remaining interest-bearing bank and borrowings, amounting to approximately HK\$13,631,000 were classified as current liabilities due to the existence of a repayment on demand clause in the loan agreements. The Group will actively negotiate with the bank for the renewal of the Group's bank borrowings when they fall due in order to secure necessary funds to meet the Group's working capital and financial requirements in the foreseeable future. In the opinion of the directors of the Company, the Group will be able to roll over or refinance the bank borrowings upon their maturity;
- (ii) management has been considering other financing arrangements including issue of new shares/convertible bonds, or other equity fund raising activities with a view to increasing the Group's capitalisation/equity;
- (iii) management has been implementing stronger measures aiming at improving the liquidity and financial position of the Group, including but not limited to closely monitoring the operating costs and enforcing cost-saving measures; and
- (iv) the Group is still committed to its business of restaurant operations and will accelerate the pace of new openings for smaller scale of operations across multiple cuisines to diversify its existing restaurant portfolio if the market conditions allow. On the other hand, the Group will continue to explore different business opportunities in relation to the food and beverage services as well as its peripheral business both in Hong Kong and China to expand the revenue source.

Should the Group be unable to continue as a going concern, adjustments would have to be made to write-down the value of assets to their recoverable amounts, to provide for any further liabilities which might arise and to reclassify non-current assets and liabilities as current assets and liabilities respectively. The effect to these adjustments has not been reflected in the consolidated financial statements.



#### 4. REVENUE

Revenue represents revenue arising on Chinese restaurant operations for the year. An analysis of the Group's revenue for the year from continuing operations is as follows:

	2024 HK\$'000	2023 HK\$'000
<b>Revenue from contracts with customers within the scope of HKFRS 15</b>		
Disaggregated by geographical market		
– Hong Kong	<u>54,444</u>	<u>104,453</u>

Disaggregation of revenue from contracts with customers by timing of recognition

	2024 HK\$'000	2023 HK\$'000
<b>Timing of revenue recognition</b>		
At a point in time	<u>54,444</u>	<u>104,453</u>

(i) **Performance obligations for contracts with customers**

*Operation and management of restaurant*

The performance obligation is satisfied when the catering services have been provided to customers. The Group's trading terms with its customers are mainly on cash and credit card settlement. The credit period is generally few days to 60 days.

(ii) **Transaction price allocated to the remaining performance obligation for contracts with customers**

All revenue contracts are for a period of one year or less. As permitted by HKFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

#### 5. SEGMENT INFORMATION

Information reported to the Board of Directors of the Group, being the chief operating decision maker, for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided. No operating segments identified by the chief operating decision maker have been aggregated in arriving at the reportable segments of the Group.

Specifically, the Group's reportable and operating segment under HKFRS 8 Operating Segments is operation and management of restaurants.

Since this is the only reportable and operating segment of the Group, no further analysis thereof is presented. All the revenue of the Group are generated from operation and management of restaurants for the years ended 31 December 2024 and 2023.

## Geographical information

The Group's operations are located in Hong Kong (2023: Hong Kong).

Information about the Group's revenue from continuing operations from external customers is presented based on the location of the operations. Information about the Group's non-current assets is presented based on geographical location of the assets.

	Revenue from external customers		Non-current assets	
	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Hong Kong	<u>54,444</u>	<u>104,453</u>	<u>25,501</u>	<u>26,299</u>

*Note:* Non-current assets excluded financial instruments and deferred tax assets.

## Information about major customers

There was no revenue from customers individually contributing over 10% to the total revenue of the Group for the years ended 31 December 2024 and 2023.

## 6. FINANCE COSTS

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Interest expenses on:		
Long service payment obligation	4	4
Lease liabilities	148	669
Bank borrowings	1,490	1,967
Other borrowings	<u>494</u>	<u>642</u>
	<u>2,136</u>	<u>3,282</u>

## 7. INCOME TAX EXPENSE

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Current income tax		
Hong Kong Profits Tax		
– Current year	16	420
– Over provision in prior year	<u>(244)</u>	<u>–</u>
	(228)	420
Deferred taxation	<u>3,376</u>	<u>(268)</u>
	<u>3,148</u>	<u>152</u>

Under the two-tiered profits tax rates regime of Hong Kong Profits Tax, the first HK\$2 million of profits of qualifying corporation will be taxed at 8.25% (2023: 8.25%), and profits above HK\$2 million will be taxed at 16.5% (2023: 16.5%). Hong Kong profits tax was calculated at a flat rate of 16.5% (2023: 16.5%) of the estimated assessable profits.

## 8. (LOSS)/PROFIT FOR THE YEAR

	2024 HK\$'000	2023 HK\$'000
Employee benefit expense (excluding directors' and chief executive's remuneration)		
– salaries, bonuses and allowances	22,726	35,578
– retirement benefits scheme contributions	1,024	1,600
	<u>23,750</u>	<u>37,178</u>
Auditor's remuneration	880	880
Cost of inventory consumed	15,565	29,740
Expenses relating to short-term leases	<u>4,943</u>	<u>5,207</u>

## 9. DIVIDENDS

No dividend was paid or proposed during the year ended 31 December 2024, nor has any dividend been proposed since the end of the reporting period (2023: Nil).

## 10. (LOSS)/EARNINGS PER SHARE

The calculation of the basic and diluted (loss)/earnings per share attributable to the owners of the Company is based on the following data:

	2024 HK\$'000	2023 HK\$'000
(Loss)/earnings for the year attributable to owners of the Company for the purpose of basic and diluted (loss)/earnings per share	<u>(27,039)</u>	<u>1,327</u>
	<b>Number of shares</b>	
	2024 '000	2023 '000
Weighted average number of ordinary shares for the purpose of basic and diluted (loss)/earnings per share	<u>236,349</u>	<u>187,287</u>

No diluted (loss)/earnings per share for the years ended 31 December 2024 and 2023 were presented as there were no potential ordinary shares in issue for the years ended 31 December 2024 and 2023.

## 11. TRADE RECEIVABLES

	2024 HK\$'000	2023 HK\$'000
Receivables at amortised cost comprises:		
Trade receivables	220	768
Less: Allowance for impairment of trade receivables	<u>–</u>	<u>–</u>
	<u>220</u>	<u>768</u>

The Group allows an average credit period of few days to 60 days to its trade customers. The following is an aging analysis of trade receivables net of allowance for impairment of trade receivables presented based on the invoice date, at the end of the reporting period.

	<b>2024</b> <b>HK\$'000</b>	2023 <i>HK\$'000</i>
0 – 30 days	<b>50</b>	598
31 – 60 days	–	–
61 – 90 days	–	–
Over 90 days	<b>170</b>	170
	<hr/> <b>220</b> <hr/>	<hr/> 768 <hr/>

At 31 December 2024, included in the Group's trade receivables balance are debtors with aggregate carrying amount of approximately HK\$170,000 (2023: HK\$170,000) which are past due as at the reporting date. The amounts have been past due 90 days or more are still considered as recoverable based on historical experience and forward-looking estimates. The Group does not hold any collateral over these balances.

The carrying amounts of trade receivables approximate their fair values and denominated in HK\$.

## 12. TRADE PAYABLES

The following is an aging analysis of trade payables presented based on the invoice date at the end of the reporting period.

	<b>2024</b> <b>HK\$'000</b>	2023 <i>HK\$'000</i>
0 – 30 days	<b>171</b>	1,094
31 – 60 days	<b>20</b>	220
61 – 90 days	<b>64</b>	180
Over 90 days	<b>35,858</b>	34,828
	<hr/> <b>36,113</b> <hr/>	<hr/> 36,322 <hr/>

The average credit period on purchases of goods is 30 to 120 days.

The carrying amounts of trade payables approximate their fair values and denominated in HK\$.

### 13. SHARE CAPITAL

	Nominal Value HK\$	Number of shares	HK\$'000
<b>Authorised:</b>			
At 31 December 2022 and 1 January 2023 and 31 December 2023 and 1 January 2024 and 31 December 2024	0.1	500,000,000	50,000
<b>Issued and fully paid:</b>			
At 31 December 2021 and 1 January 2022, 31 December 2022 and 1 January 2023		172,800,000	17,280
Placing of new shares on 3 July 2023 ( <i>Note a</i> )		34,560,000	3,456
At 31 December 2023 and 1 January 2024		207,360,000	20,736
Placing of new shares on 2 February 2024 ( <i>Note b</i> )		34,560,000	3,456
At 31 December 2024	0.1	241,920,000	24,192

*Notes:*

- a) Pursuant to an ordinary resolution passed at the extraordinary general meeting held on 26 June 2023, the Company has conditionally agreed to allot and issue, and the creditor has conditionally agreed to subscribe 34,560,000 capitalisation shares at the price of HK\$0.1 per share in settlement of the indebted sum.
- b) On 30 January 2024, the Company and a placing agent entered into a placing agreement pursuant to which the Company has conditionally agreed to place a maximum of 34,560,000 placing shares to independent investors at a price of HK\$0.257 per share. The placing was completed on 2 February 2024 pursuant to which the Company has allotted and issued 34,560,000 placing shares. The net proceeds derived from the placing amounted to HK\$8,520,000 and resulted in the increase in share capital of HK\$3,456,000 and share premium of HK\$5,426,000, net of transaction costs of HK\$362,000.

### 14. EVENTS AFTER THE REPORTING PERIOD

During the year ended 31 December 2024, Wealth Club Limited (“**Wealth Club**”), a wholly owned subsidiary that previously operated a restaurant in Kwun Tong until its closure in June 2024, received a winding up petition due to its refusal to settle an outstanding debt of approximately HK\$17,000. Subsequently, on 3 March 2025, the High Court issued an order, dated 12 February 2025, directing the winding-up of Wealth Club.

## **EXTRACT FROM INDEPENDENT AUDITOR’S REPORT**

The following is an extract of the independent auditor’s report on the Group’s audited consolidated financial statements for the year ended 31 December 2024 which has included a disclaimer of opinion.

### **DISCLAIMER OF OPINION**

We were engaged to audit the consolidated financial statements of Dragon King Group Holdings Limited (the “**Company**”) and its subsidiaries (hereinafter collectively referred to as the “**Group**”), which comprise the consolidated statement of financial position as at 31 December 2024, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

We do not express an opinion on the consolidated financial statements of the Group. Because of the significance of the matter described in the *Basis for Disclaimer of Opinion* section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements. In all other respects, in our opinion the consolidated financial statements have been properly prepared in compliance with Hong Kong Companies Ordinance.

### **BASIS FOR DISCLAIMER OF OPINION**

#### **Multiple fundamental uncertainties relating to going concern**

As described in note to the consolidated financial statements, the Group’s current liabilities exceeded its current assets by approximately HK\$146,570,000 and the Group had net liabilities of approximately HK\$120,898,000 as at 31 December 2024. As at the same date, the Group’s total current interest-bearing borrowings amounted to approximately HK\$93,470,000, while its cash and cash equivalents amounted to approximately HK\$6,891,000 only.

These conditions, together with other matters described in note to the consolidated financial statements, indicate 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.

The directors of the Company have been undertaking a number of measures to improve the Group’s liquidity and financial position as described in note to the consolidated financial statements. The consolidated financial statements have been prepared by the directors of the Company on a going concern basis, the validity of which depends on the outcome of these measures, which are subject to multiple uncertainties, we were unable to ascertain whether the assumptions made by the directors of the Company in preparing the consolidated financial statements on a going concern basis are proper and appropriate.

However, we have not been able to obtain sufficient appropriate audit evidence to satisfy ourselves that the events or conditions underpinning the cash flow forecast of the Group for going concern assessment are reasonable and supportable because of (i) the lack of sufficient supporting basis from the management including the consent from lenders to refinance and/or rollover the Group's existing loans; (ii) the lack of sufficient basis that the improvement of future operating results and cash flows would be realised. Hence, we were unable to satisfy ourselves about the appropriateness of the use of the going concern basis of accounting in the preparation of the consolidated financial statements by the management of the Group.

In view of the extent of the material uncertainties relating to the results of those measures to be taken by the Group which might cast significant doubt on the Group's ability to continue as a going concern, we have disclaimed our opinion on the consolidated financial statements.

Should the going concern assumption be inappropriate, adjustments would be necessary to reclassify all non-current assets and liabilities as current assets and liabilities respectively, write-down the value of assets to their recoverable amounts and to provide for further liabilities which may arise. The consolidated financial statements have not incorporated any of these adjustments.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **BUSINESS AND OPERATIONAL REVIEW**

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

#### **Restaurant Operations**

The Group is committed to provide high quality food and services as well as comfortable dining environment to the customers. For FY2024, the Group operated three full-service Cantonese cuisines restaurants in Hong Kong, one of which is located in Hong Kong Island (known as the **“Wan Chai Restaurant”**), and the remaining two of which are located in Kowloon (known as the **“Kwun Tong Restaurant”** and the **“Whampoa Restaurant”**), to provide Cantonese cuisines under the brand names of **“Dragon King (龍皇)”** and **“Dragon Gown (龍袍)”**. All the Group's restaurants are strategically located in prominent commercial areas, residential areas or shopping complexes.

The Group had closed down the Whampoa Restaurant and Kwun Tong Restaurant in April 2024 and June 2024 respectively, due to the expiration of the rental agreements. As at 31 December 2024, the Group was operating a full-service Cantonese cuisines restaurant in Hong Kong, the Wan Chai Restaurant.

### **FINANCIAL REVIEW**

#### **Revenue**

For FY2024, the Group recorded a total revenue of approximately HK\$54.4 million, against approximately HK\$104.5 million for FY2023, representing a decrease of approximately 47.9%. This was mainly resulted from closed down of two restaurants during the first half of FY2024.

The table below sets forth a breakdown of the Group's revenue generated by each of the Group's self-owned brands during FY2023 and FY2024:

	For the year ended 31 December			
	2024		2023	
	Revenue <i>HK\$'000</i>	% of total revenue	Revenue <i>HK\$'000</i>	% of total revenue
Dragon King (龍皇) *	27,785	51.0	68,834	65.9
Dragon Gown (龍袍)	26,659	49.0	35,619	34.1
Total revenue	<u>54,444</u>	<u>100.0</u>	<u>104,453</u>	<u>100.0</u>

\* Closed in 2024

### ***Dragon King (龍皇)***

The revenue generated by Dragon King decreased by approximately HK\$41.0 million, or approximately 59.6% from HK\$68.8 million for FY2023 to HK\$27.8 million for FY2024. The substantial decrease in revenue for FY2024 was mainly resulted from the closure of the Whampoa Restaurant and the Kwun Tong Restaurant in April 2024 and June 2024 respectively, due to the expiration of the rental agreements.

### ***Dragon Gown (龍袍)***

The revenue generated by Dragon Gown decreased by approximately HK\$8.9 million, or approximately 25.0% from HK\$35.60 million for FY2023 to HK\$26.7 million for FY2024. Such decrease was mainly due to the challenging business environment and a shift in consumer behavior, as Hong Kong residents exhibited lower local consumption intentions, with an increasing trend of traveling north.

### **Gross profit and gross profit margin**

The gross profit of the Group (i.e., revenue minus cost of inventories consumed) amounted to approximately HK\$38.9 million for FY2024, versus approximately HK\$74.7 million for FY2023, representing a substantial decrease of approximately HK\$35.8 million or approximately 47.9%. The significant decrease was due to the closure of the Whampoa Restaurant and the Kwun Tong Restaurant in 2024.

Despite this, the Group's overall gross profit margin for the FY2024 remained stable at 71.4% (FY2023: 71.5%).

### **Other income and gains, net**

The Group's other income and gains, net decreased by approximately HK\$0.6 million or approximately 75.0% from approximately HK\$0.8 million for FY2023 to approximately HK\$0.2 million for FY2024. Such decrease was primarily due to sundry income decreased for FY2024.



## **Staff costs**

During the Year, staff costs of the Group amounted to approximately HK\$25.3 million, representing a decrease of approximately HK\$13.5 million or approximately 34.8% when compared to approximately HK\$38.8 million for FY2023. Such decrease was attributable to certain restaurants were closed down in April and June of 2024.

## **Depreciation of right-of-use assets**

Depreciation of right-of-use assets of the Group was charged on a straight-line basis over the lease term. The lease terms of the leased premises are generally between two to three years, with certain lease agreements provide an option for the Group to renew.

## **Reversal of impairment/(impairment losses) on financial assets**

For deposits and other receivables of the Group, the Group measures the loss allowance equal to 12-month expected credit loss, unless when there has a significant increase in credit risk since initial recognition, the Group recognises lifetime expected credit loss likelihood or risk of a default occurring since initial recognition.

For FY2024, reversal of an impairment loss on deposits and other receivables of approximately HK\$0.4 million (FY2023: an impairment loss of HK\$2.1 million) was recognised.

## **Rental and related expenses**

The Group's rental and related expenses decreased by approximately HK\$1.8 million or approximately 18.8% from approximately HK\$9.6 million for FY2023 to approximately HK\$7.8 million for FY2024, which was mainly due to the reduction in the number of restaurants operated by the Group in FY2024 as compared to those operated in FY2023.

## **Other operating expenses**

The other operating expenses of the Group increased by approximately HK\$8.2 million or approximately 43.4% from approximately HK\$18.9 million for FY2023 to approximately HK\$27.1 million for FY2024. Such increase was mainly attributable to the professional and other related service fee of the issuance of bond in FY2024 as compared to those operated in FY2023.

## **Finance costs**

Finance costs of the Group decreased by approximately HK\$1.2 million or approximately 36.4% from approximately HK\$3.3 million for FY2023 to approximately HK\$2.1 million for FY2024. Such decrease was mainly due to (i) certain other borrowings were repaid in FY2024 and (ii) a bond of HK\$37 million was issued in December 2024, modest amount of interest is recorded accordingly.

## **(Loss)/profit attributable to owners of the Company**

For FY2024, the loss attributable to owners of the Company was approximately HK\$27.0 million, as compared to a profit of approximately HK\$1.3 million for FY2023. Such decrease was mainly due to the decrease in revenue as a result of the closure of two restaurants.

## PROSPECTS

Although the Group is currently facing a sluggish Hong Kong catering industry, in line with the spirit of “actively seek change and be brave in innovation”, the Group adjusts its operating methods, seeks a path to transformation, explores new opportunities amidst headwinds, and stands out.

The Group leveraging on its solid experience accumulated over the year and its high-quality food and services recognised by the market, the Group will continue to commit to its core business. On the other hand, the Group will continue to explore different business opportunities in relation to the food and beverage services as well as its peripheral business both in Hong Kong and in the People’s Republic of China (“**PRC**”) to expand the revenue source.

Meanwhile, the Group is still committed to its business of restaurant operations and will accelerate the pace of new openings for smaller scale of operations across multiple cuisines to diversify its existing restaurant portfolio if the market conditions allow. The management of the Group will also keep on monitoring and adjusting nimbly the Group’s operating strategies to address the consumer needs, capture holiday spending and regain growth in revenue. The Group will continue to stay agile through evolving market conditions and strengthen its competitive edges to drive for long term growth and enhance shareholder value of the Group.

## CAPITAL STRUCTURE

References are made to the announcements of the Company dated 30 January 2024 and 22 February 2024 in respect of the issue of new shares by the Company under general mandate.

On 30 January 2024, the Group entered into placing agreement, pursuant to which the Group has conditionally agreed to place, on a best effort basis, maximum of 34,560,000 placing shares. On 22 February 2024, a total of 34,560,000 placing shares were successfully placed to not less than six placees at the placing price of HK\$0.257 per placing share and none of the placees has become a substantial shareholder of the Group forthwith upon the completion of the placing. The 34,560,000 placing shares represent (i) approximately 16.67% of the total number of issued shares of the Company (the “**Shares**”) immediately before the completion of the placing; and (ii) approximately 14.29% of the total number of issued Shares as enlarged by the allotment and issue of the 34,560,000 placing shares immediately after the completion of the placing. The net proceeds from the placing are approximately HK\$8,520,000 and resulted in the increase in share capital of HK\$3,456,000 and share premium of approximately HK\$5,426,000, net of transaction cost of approximately HK\$362,000. The Company proposes to use the net proceeds of (i) 50% to the general working capital of the Group including but not limited to rental expenses, salary expenses and other office overhead of the business of the Group in Hong Kong and in the PRC of up to approximately HK\$4,260,000; and (ii) 50% to the repayment of outstanding liabilities of up to approximately HK\$4,260,000.

As at 31 December 2024, the issued share capital of the Company was HK\$24,192,000 (represented by 241,920,000 Shares).

## **LIQUIDITY AND FINANCIAL RESOURCES**

The Group has funded the liquidity and capital requirements principally from cash generated from operations and bank and other borrowings.

As at 31 December 2024, the Group had bank and other borrowings of approximately HK\$93.5 million which was denominated in Hong Kong dollars (as at 31 December 2023: approximately HK\$61.4 million). The Group's bank and other borrowings were primarily used in financing the working capital requirement of its operations.

As at 31 December 2024, the Group's cash and cash equivalents were approximately HK\$6.9 million (as at 31 December 2023: approximately HK\$1.0 million). The cash increased as other borrowing raised in FY2024.

## **GEARING RATIO**

As at 31 December 2024, the gearing ratio of the Group was approximately 375.9% (as at 31 December 2023: approximately 336.5%). Gearing ratio is calculated as net debt divided by capital and net debt. Net debt represented total liabilities (excluding tax payable) of the Group less cash and cash equivalents. Capital represented the equity attributable to owners of the Company.

## **CHARGE ON GROUP ASSETS**

As at 31 December 2024, the borrowings were secured by a building owned by the Group which is amounted to approximately HK\$25.5 million (as at 31 December 2023: approximately HK\$26.3 million), respectively, for certain banking facilities granted to the Group.

## **SEGMENT INFORMATION**

Segmental information of the Group is disclosed in note to the consolidated financial statements of the Group for the year ended 31 December 2024 (the “**Consolidated Financial Statements**”).

## **SIGNIFICANT INVESTMENTS HELD, MATERIAL ACQUISITIONS AND DISPOSAL OF SUBSIDIARIES AND AFFILIATED COMPANIES, AND PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS**

There was no significant investment held, material acquisition and disposal of subsidiaries and affiliated companies by the Company during the Year. There were no other plan for material investments or capital assets as at 31 December 2024.

## **FOREIGN EXCHANGE EXPOSURE**

Most of the income and expenditure of the Group are denominated in Hong Kong dollar, the Group does not have any material foreign exchange exposure. During the Year, the Group had not used any financial instruments for hedging purposes.

## **TREASURY POLICIES**

The Directors will continue to follow a prudent policy in managing the Group's cash balances and maintain a strong and healthy liquidity to ensure that the Group is well placed to take advantage of future growth opportunities.

## **CONTINGENT LIABILITIES**

The Group did not have any material contingent liabilities as at 31 December 2024 (as at 31 December 2023: Nil).

## **COMMITMENTS**

The Group did not have any commitments as at 31 December 2024 (as at 31 December 2023: Nil).

## **FINAL DIVIDEND**

The Board does not recommend any payment of final dividend for FY2024 (FY2023: Nil).

## **INFORMATION ON EMPLOYEES**

As at 31 December 2024, the Group had about 41 employees (as at 31 December 2023: 122 employees) working in Hong Kong. Employees are remunerated based on their qualifications, position and performance. The remuneration offered to employees generally includes salaries, allowances and discretionary bonus. Various kind of trainings were provided to the employees. The total staff costs (including remuneration of Directors and mandatory provident fund contributions) for the Year amounted to approximately HK\$25.3 million (as at 31 December 2023: approximately HK\$38.8 million).

## **PRINCIPAL RISKS AND UNCERTAINTIES**

### **Foreign currency risk**

The Group currently does not expose to material foreign exchange risk as most of the monetary assets and liabilities are denominated in HKD.

### **Credit risk**

The Group trades with a large number of individual customers and trading terms are mainly on cash and credit card settlement. In view of the Group's operation, it does not have significant credit risk exposure to any single individual customer. The credit risk of the other financial assets comprises carrying amounts of cash and cash equivalents and deposits and other receivables. These credit risks are monitored on a ongoing basis.

## **Liquidity risk**

The Group has policy in place to regularly monitor the Group's liquidity requirements, both existing and expected, in order to maintain sufficient reserves of cash from short term to long term. The Directors are of the view that the liquidity risk management policy enables the Group to have sufficient resources to meet the debt obligations and working capital needs.

## **Capital risk**

The Group's objectives for managing capital are to ensure the ability to continue as a going concern in order to provide returns for the shareholders of the Company (the **"Shareholders"**) and to maintain an optimal capital structure to minimise the cost of capital. To maintain or adjust capital structure, the Group may adjust dividend payout ratio, make return of capital to Shareholders in the form of dividend or Share buyback, issue new Shares or sell assets to reduce debt. No changes in the objectives, policies or processes were made during the Year.

## **CORPORATE GOVERNANCE PRACTICE**

The Board considers good corporate governance a key element in managing the business and affairs of the Group. The management of the Group periodically reviews and proposes amendments to its corporate governance practices for compliance with the Corporate Governance Code (the **"CG Code"**) as set out in Part 2 of Appendix C1 of the GEM Listing Rules. The Board is of the opinion that the Company has complied with the CG Code during the Year, except the following deviations:

Code provision C.1.8 of the CG Code requires that the company should arrange appropriate insurance cover in respect of legal action against its directors. The Company did not arrange such insurance cover during the Year as the Board considered that the risk of material legal claims against Directors is minimal. Nevertheless, the Board will review this arrangement from time to time in light of the prevailing circumstances and arrange for appropriate insurance coverage when necessary.

Code provision C.2.2 of the CG Code requires the chairman to ensure that all directors are properly issues arising at board meetings. The chairman of the Board has delegated the company secretary of the Company (the **"Company Secretary"**) to send all the agenda accompanying board papers to all Directors at least 3 days before each Board meeting in order to ensure all Directors are properly issues arising at Board meetings.

Code provision C.2.3 of the CG Code requires the chairman to be responsible for ensuring that directors receive, in a timely manner, adequate information, which must be accurate, clear, complete and reliable. The chairman of the Board has delegated the Company Secretary to send all the information to the Directors in a timely manner, and the chairman of the Board will convene a Board meeting, if necessary, to ensure that all Directors will receive accurate, clear, complete and reliable information.

Code provision C.2.4 of the CG Code requires the chairman to provide leadership for the board. Each of the Directors has the responsibility to ensure the Board works effectively and perform its responsibilities. The chairman of the Board has delegated Mr. Li Tao, the executive Director, to perform its leader role when the chairman of the Board absent from the meeting.

Code provision C.2.5 of the CG Code requires the chairman to take primary responsibility for ensuring that good corporate governance practices and procedures are established. The chairman of the Board believes that all Directors have the responsibility to establish good corporate governance practices and procedures of the Group. All issues related to corporate governance practices procedures have been reviewed and approved by Directors at the Board meeting in order to ensure the effectiveness of the corporate governance practices.

Code provision C.2.6 of the CG Code requires the chairman to encourage all directors to make a full and active contribution to the board's affairs and take the lead to ensure that it acts in the best interests of the issuer. The chairman should also encourage directors with different views to voice their concerns, allow sufficient time for discussion of issues and ensure that board decisions fairly reflect board consensus. The Company regularly inquires of all Directors to ensure all Directors give sufficient time and attention to the affairs of the Company. All Directors have the right to convene Board meeting to voice their concerns and discuss issues.

Code provision C.2.7 of the CG Code provides that the chairman should at least annually hold meetings with the independent non-executive directors without the presence of other directors. Although the chairman of the Board did not hold a meeting with the independent non-executive Directors, excluding the executive Directors and non-executive Director during the Year, he delegated the Company Secretary to gather any concerns and/or questions that the independent non-executive Directors might have and report to him for setting up follow-up meetings, whenever necessary, in due course.

Code provision D.2.5 of the CG Code requires the company should have an internal audit function. The Group has yet to establish its internal audit function during the Year. The audit committee of the Company (the “**Audit Committee**”) and the Board, have considered the communications with the Company's external auditor in respect of any material control deficiencies identified during the course of the financial statements audit to form the basis to review the adequacy and effectiveness of the Group's risk management and internal control systems. The Audit Committee and the Board will continue to review the need for an internal audit function on an annual basis.

Code provision F.2.2 of the CG Code requires the chairman of the board and the chairmen of any other committees of the company to attend and answer questions at the annual general meeting. Mr. Tang Hong Jiang, the chairman of the Board and the chairman of the nomination committee of the Company (the “**Nomination Committee**”) was not available for the annual general meeting of the Company held on 14 June 2024 due to other work commitments. Accordingly, Mr. Li Tao, an executive Director was nominated by the Board to take the chair of the said meeting, and Mr. Tsung Ching Fung, an independent non-executive Director was invited as the representative of the Nomination Committee to attend the said meeting.

The Company adopted the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules as the code of conduct regarding Directors' securities transactions in securities of the Company (the “**Required Standard of Dealings**”). Based on specific enquiry with the Directors, Mr. Li Tao (executive Director), Ms. Shen Taiju (non-executive Director), Mr. Lo Shing Shan, Mr. Chow Yik and Mr. Tsung Ching Fung (independent non-executive Directors) confirmed that they had fully complied with the Required Standard of Dealings and there was no event of non-compliance throughout the Year. However, as at the date hereof, the Company has not received any confirmation from Mr. Tang Hong Jiang, Ms. Liang Li and Mr. Huang Ai Chun (all have been



vacated offices as executive Directors with effect from 14 March 2025) confirming they have fully complied with the Required Standard of Dealings and there was no event of non-compliance throughout the Year.

## **PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY**

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the Year.

## **EVENTS AFTER THE REPORTING PERIOD**

In November 2024, Wealth Club Limited (“**Wealth Club**”), a wholly-owned subsidiary that previously operated a restaurant in Kwun Tong until its closure in June 2024, received a winding-up petition due to its refusal to settle an outstanding debt of approximately HK\$17,000.

Subsequently, on 3 March 2025, the High Court of Hong Kong issued an order, dated 12 February 2025, directing the winding-up of Wealth Club.

## **MATERIAL LITIGATION**

### **District Court of the Hong Kong Special Administrative Region**

#### ***DCCJ838/2022***

On 22 March 2022, Oriental Etrade Limited (“**Oriental**”), a wholly-owned subsidiary of the Company, as defendant, received a writ of summons issued by Lawrence Chan & Co. (“**LCC**”) as plaintiff (“**DCCJ838 Writ**”). The DCCJ838 Writ relates to a claim by LCC in respect of a dishonoured cheque drawn by Oriental in favour of LCC. The orders sought by LCC against Oriental under the DCCJ838 Writ are (i) the sum of HK\$2,000,000; (ii) interest thereon; and (iii) costs.

On 11 May 2022, a final judgment was made against Oriental, whereby Oriental shall pay LCC the sum of HK\$2,000,000 and interest thereon as well as costs.

### **High Court of the Hong Kong Special Administrative Region**

#### ***HCA457/2022***

On 4 May 2022, Premier Oriental Limited (“**Premier**”), a wholly-owned subsidiary of the Company, as defendant, received an amended writ of summons issued by Wan Kin Engineering Limited (“**WKE**”) as plaintiff (“**HCA457 Writ**”). The HCA457 Writ relates to a claim by WKE in respect of a contract sum for certain decoration and renovation work undertaken at Dragon Gown (龍袍), the Group's restaurant in Wanchai, Hong Kong.

Premier filed a defence to contest the proceedings and reached a settlement with WKE subsequently by end of April 2023.

The Company will make further disclosure as and when appropriate.

## **AUDIT COMMITTEE**

The Audit Committee was established on 15 December 2017. The Audit Committee comprises three members including three independent non-executive Directors, namely Mr. Tsung Ching Fung as the chairman, Mr. Lo Shing Shan and Mr. Chow Yik.

The written terms of reference of the Audit Committee are posted on the websites of the Stock Exchange and the Company. The audit Committee reviews the financial information and reporting process, internal control procedures and risk management system, audit plan and relationship with external auditor and arrangements to enable employees of the Company to raise, in confidence, concerns about possible improprieties in financial reporting, internal control or other matters of the Company.

During the Year, the Audit Committee held 2 meetings to review and comment on the Company's 2023 annual results, 2024 interim results, as well as the Company's internal control procedures and risk management system.

The Group's Consolidated Financial Statements have been reviewed by the Audit Committee. The Audit Committee is of the opinion that the Consolidated Financial Statements of the Group comply with applicable accounting standards, GEM Listing Rules and that adequate disclosures have been made.

The Audit Committee had also critically reviewed the Disclaimer Opinion, the management's assessment on the Disclaimer Opinion and the measures taken/to be taken by the Company in addressing the concern of the auditor relating to going concern. After discussion with the Directors, the Audit Committee concurred with the going concern basis and assumptions adopted in preparing the Consolidated Financial Statements.

## **DIRECTORS' RESPONSIBILITIES FOR CONSOLIDATED FINANCIAL STATEMENTS**

The Directors have acknowledged their responsibilities for preparing the consolidated financial statements of the Group which give a true and fair view of the state of affairs of the Group and in presenting the interim and annual consolidated financial statements, and announcements of the Company. The Directors aim to present a balanced, clear and understandable assessment of the Group's position and prospects with timely publication of the consolidated financial statements of the Group.

The Directors are aware of the Group's current liabilities exceeded its current assets by approximately HK\$146.6 million and the Group had net liabilities of approximately HK\$120.9 million as at 31 December 2024. As at the same date, the Group's total current interest-bearing borrowings amounted to approximately HK\$93.5 million, while its cash and cash equivalents amounted to approximately HK\$6.9 million. These conditions indicated the existence of material uncertainties which may cast significant doubt about the Group's ability to continue as a going concern. Further discussion of this issue has been set out in the section headed "Management Discussion and Analysis" and the note to the Consolidated Financial Statements in this announcement.



Having made appropriate enquiries and examined the major areas which will give rise to the aforesaid significant exposure, the Directors, based on the cash flow forecast which has been prepared on the basis that the Group will successfully implement the plans and measures as set out in the note to the Consolidated Financial Statements, are satisfied that the Group will have sufficient working capital to finance its operations and financial obligations as and when they fall due. In this connection, the Directors have continued to prepare the financial statements on a going concern basis for the Year and considered that the Group has applied consistent accounting policies and made judgements and estimates that are appropriate and reasonable in accordance with the applicable accounting standards.

#### **SCOPE OF WORK OF PRISM HONG KONG LIMITED**

The figures in respect of the Group's consolidated statement of financial position as at 31 December 2024, the consolidated statement of profit or loss, the consolidated statement of profit or loss and other comprehensive income, and the related notes thereto for FY2024 as set out in the preliminary announcement have been agreed by the Group's auditor, Prism Hong Kong Limited, to the amounts set out in the Group's Consolidated Financial Statements. The work performed by Prism Hong Kong Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Prism Hong Kong Limited on the preliminary announcement.

By Order of the Board  
**Dragon King Group Holdings Limited**  
**Li Tao**  
*Executive Director*

Hong Kong, 28 March 2025

*As at the date of this announcement, the Board comprises Mr. Li Tao as executive Director; Ms. Shen Taiju as non-executive Director; and Mr. Lo Shing Shan, Mr. Chow Yik and Mr. Tsung Ching Fung as independent non-executive Directors.*