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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)**

**INTERIM RESULTS ANNOUNCEMENT  
FOR THE SIX MONTHS ENDED 30 JUNE 2025**

The board (the “**Board**”) of directors (the “**Directors**”) of Dragon King Group Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) announces the unaudited consolidated interim results for the six months ended 30 June 2025. This announcement, containing the full text of the 2025 interim report (the “**2025 Interim Report**”) of the Company, complies with the relevant requirements 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**”) in relation to the information to accompany preliminary announcement of interim results. The 2025 Interim Report will be available for viewing on the websites of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) and of the Company at [www.dragonkinggroup.com](http://www.dragonkinggroup.com).

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

Hong Kong, 29 August 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](http://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](http://www.dragonkinggroup.com).*



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

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*This report, for which the directors (the “**Directors**”) of Dragon King Group Holdings Limited (the “**Company**” and 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 report 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 report misleading.*

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## CORPORATE INFORMATION

### BOARD OF DIRECTORS

#### Executive Directors

Mr. Tang Hong Jiang (*Former Chairman*)  
(ceased on 14 March 2025)

Ms. Liang Li (ceased on 14 March 2025)

Mr. Huang Ai Chun  
(ceased on 14 March 2025)

Mr. Li Tao

Mr. Chan Yuen Lung, Alfred (*Chairman*)  
(appointed on 20 May 2025)

#### Non-executive Director

Ms. Shen Taiju (ceased on 12 June 2025)

#### Independent non-executive Directors

Mr. Lo Shing Shan

Mr. Chow Yik

Mr. Tsung Ching Fung

#### Audit Committee

Mr. Tsung Ching Fung (*Chairman*)

Mr. Lo Shing Shan

Mr. Chow Yik

#### Remuneration Committee

Mr. Chow Yik (*Chairman*)

Mr. Lo Shing Shan

Mr. Tsung Ching Fung

#### Nomination Committee

Mr. Lo Shing Shan (*Chairman*)  
(appointed as chairman on  
14 March 2025)

Mr. Tang Hong Jiang (*Former Chairman*)  
(ceased on 14 March 2025)

Mr. Chow Yik

Mr. Tsung Ching Fung

#### COMPLIANCE OFFICER

Mr. Tang Hong Jiang  
(ceased on 14 March 2025)

#### AUTHORISED REPRESENTATIVES

Mr. Tang Hong Jiang  
(ceased on 14 March 2025)

Mr. Kwan Kar Man  
(ceased on 15 July 2025)

Mr. Li Tao (appointed on 14 March 2025  
and ceased on 20 May 2025)

Mr. Chan Yuen Lung, Alfred  
(appointed on 20 May 2025)

Mr. Ngai Tsz Hin Michael  
(appointed on 15 July 2025)

#### COMPANY SECRETARY

Mr. Kwan Kar Man  
(resigned on 15 July 2025)

Mr. Ngai Tsz Hin Michael  
(appointed on 15 July 2025)

## CORPORATE INFORMATION

### AUDITOR

Prism Hong Kong Limited  
*Certified Public Accountants, Hong Kong*  
Unit 1903A–1905, 19th Floor  
No. 8 Observatory Road  
Tsim Sha Tsui  
Hong Kong

### REGISTERED OFFICE

Windward 3, Regatta Office Park  
PO Box 1350  
Grand Cayman KY1-1108  
Cayman Islands

### HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Suite 3902, 39/F, Central Plaza  
18 Harbour Road, Wanchai  
Hong Kong

### PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Ocorian Trust (Cayman) Limited  
Windward 3, Regatta Office Park  
PO Box 1350  
Grand Cayman KY1-1108  
Cayman Islands

### HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited  
17th Floor, Far East Finance Centre  
16 Harcourt Road  
Hong Kong

### PRINCIPAL BANKS

DBS Bank (Hong Kong) Limited  
Hang Seng Bank Limited

### COMPANY WEBSITE

[www.dragonkinggroup.com](http://www.dragonkinggroup.com)

### STOCK CODE

8493

The board of Directors (the “**Board**”) of the Company is pleased to present the unaudited condensed consolidated results of the Group for the six months ended 30 June 2025, together with the unaudited comparative figures for the corresponding period in 2024 as follows:

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

*For the six months ended 30 June 2025*

		Unaudited	
	Notes	2025 HK\$'000	2024 HK\$'000
<b>Revenue</b>	5	<b>9,428</b>	43,161
Costs of inventories consumed		(2,500)	(12,086)
<b>Gross profit</b>		<b>6,928</b>	31,075
Other income and gains, net	6	3	26
Staff costs		(6,278)	(18,521)
Depreciation of property, plant and equipment		(414)	(399)
Rental and related expenses		(3,466)	(4,541)
Other operating expenses		(7,550)	(8,027)
Finance costs		(608)	(1,046)
<b>Loss before tax</b>	7	<b>(11,385)</b>	(1,433)
Income tax expenses	8	–	–
<b>Loss and total comprehensive expense for the period attributable to the owners of the Company</b>		<b>(11,385)</b>	(1,433)
		<b>HK cents</b>	HK cents
<b>Loss per share</b>			
– Basic and diluted	10	(4.65)	(0.62)

## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2025

	Notes	Unaudited 30 June 2025 HK\$'000	Audited 31 December 2024 HK\$'000
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	11	25,084	25,501
Right-of-use assets		–	–
Deposits		50	50
Deferred tax assets		121	121
Total non-current assets		25,255	25,672
<b>CURRENT ASSETS</b>			
Inventories	12	2,117	2,221
Trade receivables		180	220
Prepayments, deposits and other receivables		18,749	15,836
Tax recoverable		276	276
Cash and cash equivalents		688	6,891
Total current assets		22,010	25,444
<b>CURRENT LIABILITIES</b>			
Trade payables	13	36,048	36,113
Other payables and accruals		41,895	37,770
Bank and other borrowings		93,275	93,470
Lease liabilities		322	444
Amount due to a director		2,767	3,814
Tax payable		403	403
Total current liabilities		174,710	172,014
<b>NET CURRENT LIABILITIES</b>		<b>(152,700)</b>	<b>(146,570)</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>(127,445)</b>	<b>(120,898)</b>



## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2025

		Unaudited 30 June 2025 HK\$'000	Audited 31 December 2024 HK\$'000
	Notes		
<b>NON-CURRENT LIABILITIES</b>			
Other borrowings		–	–
Lease liabilities		–	–
Total non-current liabilities		–	–
<b>NET LIABILITIES</b>		<b>(127,445)</b>	<b>(120,898)</b>
<b>CAPITAL AND RESERVES</b>			
Share capital	14	29,030	24,192
Reserves		(156,475)	(145,090)
<b>TOTAL DEFICIENCY IN EQUITY</b>		<b>(127,445)</b>	<b>(120,898)</b>

## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2025

	Share capital HK\$'000	Share premium HK\$'000	Other reserve HK\$'000	Capital reserve HK\$'000	Exchange fluctuation reserve HK\$'000	Accumulated loss HK\$'000	Total deficiency in equity HK\$'000
At 1 January 2024 (Audited)	20,736	90,912	(43,224)	42,703	(143)	(213,363)	(102,379)
Loss and total comprehensive expense for the period	-	-	-	-	-	(1,433)	(1,433)
Placing of new shares (Note 14(a))	3,456	5,064	-	-	-	-	8,520
At 30 June 2024 (Unaudited)	24,192	95,976	(43,224)	42,703	(143)	(214,796)	(95,292)
At 1 January 2025 (Audited)	<b>24,192</b>	<b>95,976</b>	<b>(43,224)</b>	<b>42,703</b>	<b>(143)</b>	<b>(240,402)</b>	<b>(120,898)</b>
Loss and total comprehensive expense for the period	-	-	-	-	-	(11,385)	(11,385)
Placing of new shares (Note 14(b))	<b>4,838</b>	-	-	-	-	-	<b>4,838</b>
At 30 June 2025 (Unaudited)	<b>29,030</b>	<b>95,976</b>	<b>(43,224)</b>	<b>42,703</b>	<b>(143)</b>	<b>(251,787)</b>	<b>(127,445)</b>

# UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2025

	Unaudited	
	2025	2024
	HK\$'000	HK\$'000
<b>NET CASH (USED IN)/GENERATED FROM OPERATING ACTIVITIES</b>	<b>(9,679)</b>	<b>1,105</b>
<b>NET CASH FROM INVESTING ACTIVITIES</b>		
Interest received	2	1
<b>FINANCING ACTIVITIES</b>		
Placing of new shares	4,838	8,615
Inceptions of other borrowings	–	–
Repayment of bank borrowings	(195)	(651)
Payment of lease liabilities	(122)	(3,293)
(Repayment to)/advance from a director	(1,047)	1,303
<b>NET CASH FROM FINANCING ACTIVITIES</b>	<b>3,474</b>	<b>5,974</b>
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(6,203)</b>	<b>7,080</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>6,891</b>	<b>1,014</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD,</b>		
represented by cash and cash equivalents	<b>688</b>	<b>8,094</b>

# NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 1. GENERAL INFORMATION

The Company is a limited liability company incorporated in the Cayman Islands on 8 August 2016. 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 was located at Suite 3902, 39/F, Central Plaza, 18 Harbour Road, Wan Chai, Hong Kong.

The Company is an investment holding company. The Group is principally engaged in the operation and management of restaurants.

## 2. BASIS OF PRESENTATION AND PRINCIPAL ACCOUNTING POLICIES

The Group's unaudited condensed consolidated financial statements for the six months ended 30 June 2025 have been prepared in accordance with the accounting principles generally accepted in Hong Kong and comply with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the applicable disclosure requirements of Chapter 18 of the GEM Listing Rules.

The accounting policies and methods of computation used in the preparation of the unaudited condensed consolidated financial statements for the six months ended 30 June 2025 are consistent with those adopted in the Group's audited annual report dated 28 March 2025 (the **"2024 Annual Report"**), except for the adoption of the new and revised Hong Kong Financial Reporting Standards (the **"New and Revised HKFRSs"**) (which include all HKFRSs, Hong Kong Accounting Standards (**"HKASs"**) and Interpretations) issued by the HKICPA that are adopted for the first time for the current periods financial statements.

The adoption of the New and Revised HKFRSs has had no significant effect on these unaudited condensed consolidated financial statements for the six months ended 30 June 2025 and there have been no significant changes to the accounting policies applied in these unaudited condensed consolidated financial statements for the six months ended 30 June 2025.

The Group has not applied new and revised standards, amendments or interpretations that have been issued but are not yet effective. The Group is currently assessing the impact of the adoption of such new and revised standards, amendments or interpretations to the Group but is yet to be in a position to state whether they would have any material financial impact on the Group's results of operations and financial position.

The unaudited condensed consolidated financial statements for the six months ended 30 June 2025 have been prepared under the historical cost convention. The unaudited condensed consolidated financial statements for the six months ended 30 June 2025 are presented in thousand of Hong Kong dollars (**"HK\$'000"**), which is also the functional currency of the Group.

## NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

During the six months ended 30 June 2025, the Group's current liabilities exceeded its current assets by approximately HK\$152,700,000 and the Group had net liabilities by approximately HK\$127,445,000. As at the same date, the Group's total current interest-bearing bank and other borrowings amounted to approximately HK\$93,275,000 while its cash and cash equivalents amounted to approximately HK\$688,000 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\$93,275,000 as at 30 June 2025, of which approximately HK\$79,960,000 is repayable within one year. The remaining interest-bearing bank and other borrowings, amounting to approximately HK\$13,315,000 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, 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 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 unaudited condensed consolidated financial statements.

# NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The unaudited condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2024.

The unaudited condensed consolidated financial statements have not been audited by the Company's auditors, but have been reviewed by the audit committee of the Company.

## 3. ESTIMATES

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing the interim condensed consolidated financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2024.

## 4. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

### (a) Financial risk factor

The Group's activities expose it to a variety of financial risks: interest rate risk, credit risk and liquidity risk. The interim condensed consolidated financial statements do not include all financial risk management information and disclosures required in the annual financial statements and should be read in conjunction with the Group's consolidated financial statements as at 31 December 2024.

There have been no changes in the risk management policies since year end.

### (b) Liquidity risk

Compared to year end, there have been no material changes to the policies and practices for the Group's liquidity and funding risks management as described in the consolidated financial statements for the year ended 31 December 2024.

### (c) Fair value estimation

The carrying values of receivables and payables are reasonable approximation of their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Company for similar financial instruments.

## NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 5. REVENUE

#### (i) Disaggregated revenue information from contracts with customers

	Unaudited	
	2025	2024
	HK\$'000	HK\$'000
<b>Type of goods or services</b>		
Revenue from Chinese restaurant operations	9,428	43,161
<b>Geographical markets</b>		
Hong Kong	9,428	43,161
<b>Timing of revenue recognition</b>		
At a point in time	9,428	43,161

#### (ii) Performance obligations for contracts with customers

##### *Operation and management of restaurants*

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.

#### (iii) 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.

### 6. OTHER INCOME AND GAINS, NET

	Unaudited	
	2025	2024
	HK\$'000	HK\$'000
<b>Other income and gains, net</b>		
Bank interest income	2	1
Exchange gain	–	1
Others	1	24
	3	26

# NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 7. LOSS FOR THE PERIOD

Loss for the period has been arrived at after charging:

	Unaudited	
	2025	2024
	HK\$'000	HK\$'000
Auditor's remuneration	440	440
Employee benefit expense (excluding directors' and chief executive's remuneration)		
Wages and salaries	5,515	17,157
Pension scheme contributions	212	764
	<b>5,727</b>	<b>17,921</b>

## 8. INCOME TAX EXPENSES

For the six months ended 30 June 2025 and 2024, Hong Kong Profits Tax is calculated in accordance with the two-tiered profits tax rates regime. Under the two-tiered profits tax rates regime, the first HK\$2,000,000 of profits of qualifying corporation will be taxed at 8.25%, and profits above HK\$2,000,000 will be taxed at 16.5%. The profits of corporations not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

Hong Kong Profits Tax has not been provided as the Group's estimated assessable profits for the periods are wholly absorbed by unrelieved tax losses brought forward from previous years for the period.

The directors of the Company considered the amount involved upon implementation of the two-tiered profits tax rates regime as insignificant to the consolidated financial statements. Hong Kong Profits Tax is calculated at two-tiered profits tax regime of the estimated assessable profit for both periods.

	Unaudited	
	2025	2024
	HK\$'000	HK\$'000
Current – Hong Kong	–	–
Total tax charge for the periods	–	–



## NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 9. DIVIDEND

The Board does not recommend any payment of interim dividend in respect of the six months ended 30 June 2025 (2024: Nil).

### 10. LOSS PER SHARE

The calculations of basic and diluted loss per share attributable to the owners of the Company is based on the following data:

	Unaudited	
	2025	2024
	HK\$'000	HK\$'000
Loss attributable to owners of the Company for the purpose of basic and diluted loss per share	(11,385)	(1,433)

  

	Number of shares	
	2025	2024
	'000	'000
Weighted average number of ordinary shares for the purpose of calculating basic and diluted loss per share	244,860	232,046

No diluted (loss) earnings per share for the six months ended 30 June 2025 and 2024 were presented as there were no potential ordinary shares in issue for the six months ended 30 June 2025 and 2024.

### 11. PROPERTY, PLANT AND EQUIPMENT

For the six months ended 30 June 2025, no purchases of property, plant and equipment was made by the Group (2024: Nil).

## NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 12. TRADE RECEIVABLES

	Unaudited 30 June 2025 HK\$'000	Audited 31 December 2024 HK\$'000
Receivables at amortised cost	–	220

Certain customers are granted credit period from few days to 60 days. The following is an aged analysis of trade receivables, net of allowance for credit losses, presented based on the invoice date, which approximates the respective revenue recognition dates:

	Unaudited 30 June 2025 HK\$'000	Audited 31 December 2024 HK\$'000
0–30 days	10	50
Over 180 days	170	170
	180	220

### 13. TRADE PAYABLES

An ageing analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	Unaudited 30 June 2025 HK\$'000	Audited 31 December 2024 HK\$'000
0–30 days	72	171
31–60 days	73	20
61–90 days	69	64
Over 90 days	35,834	35,858
	36,048	36,113

# NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 14. SHARE CAPITAL

	Nominal Value HK\$	Number of shares	HK\$'000
<b>Authorised:</b>			
At 1 January 2024, 31 December 2024 and 30 June 2025	0.1	500,000,000	50,000
<b>Issued and fully paid:</b>			
At 1 January 2024		207,360,000	20,736
Placing of new shares on 22 February 2024 (Note (a))		34,560,000	3,456
At 31 December 2024 and 1 January 2025	0.1	241,920,000	24,192
Placing of new shares on 20 June 2025 (Note (b))		48,384,000	4,838
At 30 June 2025	0.1	290,304,000	29,030

Notes:

- (a) 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 22 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.
- (b) On 2 June 2025, the Company and a placing agent entered into a placing agreement pursuant to which the Company has conditionally agreed to place a maximum of 48,384,000 placing shares to independent investors at a price of HK\$0.10 per share. The placing was completed on 20 June 2025 pursuant to which the Company has allotted and issued 48,384,000 placing shares. The net proceeds derived from the placing amounted to approximately HK\$4,550,000 and resulted in the increase in share capital of HK\$4,838,400, net of transaction costs of approximately HK\$288,400.

# MANAGEMENT DISCUSSION AND ANALYSIS

## BUSINESS AND OPERATION REVIEW

The Group is a Cantonese full-service restaurants group operating Cantonese cuisine 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. During the six months ended 30 June 2025, the Group operated one full-service restaurant in Hong Kong which is located in Hong Kong Island to provide Cantonese cuisine under the brand name of “**Dragon Gown (龍袍)**”. The restaurant is strategically located in a prominent commercial area.

The Group had closed down two other restaurants under the brand name of “**Dragon King (龍皇)**” in April 2024 and June 2024 respectively due to the expiration of the rental agreements.

## FINANCIAL REVIEW

### Revenue

For the six months ended 30 June 2025 (the “**Period**”), the Group recorded a total revenue of approximately HK\$9.4 million, against approximately HK\$43.2 million for the six months ended 30 June 2024 (the “**Preceding Period**”), representing a decrease of approximately 78.2%. This was mainly resulted from closed down of two restaurants during the Preceding Period.

## MANAGEMENT DISCUSSION AND ANALYSIS

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

	For the six months ended 30 June			
	2025		2024	
	Revenue HK\$'000	% of total revenue (%)	Revenue HK\$'000	% of total revenue (%)
Dragon King (龍皇)*	–	–	27,930	64.7
Dragon Gown (龍袍)	9,428	100.0	15,231	35.3
Total revenue	9,428	100.0	43,161	100.0

\* Closed in 2024.

### ***Dragon Gown (龍袍)***

The revenue generated from Dragon Gown decreased by approximately HK\$5.8 million, or approximately 38.1%, from approximately HK\$15.2 million for the Preceding Period to approximately HK\$9.4 million for the Period. Such decrease was mainly due to the business environment remained challenging and the negative impact by the weak market sentiment.

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

The gross profit of the Group (i.e. revenue minus cost of inventories consumed) amounted to approximately HK\$7.0 million for the Period versus approximately HK\$31.1 million for the Preceding Period, representing decreased of approximately HK\$24.1 million or approximately 77.5%.

The Group's overall gross profit margin for the Period slightly increased by 1.5% when compared to the Preceding Period which was mainly due to less customers consumed during the Period.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Other income and gains, net

The Group's other income and gains, net decreased by approximately HK\$23,000 or approximately 88.5% from approximately HK\$26,000 for the Preceding Period to approximately HK\$3,000 for the Period. Such decrease was primarily due to sundry income decreased for the Period.

### Staff costs

During the Period, staff costs amounted to approximately HK\$6.3 million, representing a decrease of approximately HK\$12.2 million or approximately 65.9% as compared to approximately HK\$18.5 million for the Preceding Period. 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.

### Rental and related expenses

The Group's rental and related expenses decreased by approximately HK\$1.0 million or approximately 22.2% from approximately HK\$4.5 million for the Preceding Period to approximately HK\$3.5 million for the Period. Such decrease was mainly due to the reduction in the number of restaurants operated by the Group in the first half of 2025 as compared to those operated in the first half of 2024.

### Other operating expenses

The Group's other operating expenses decreased by approximately HK\$0.4 million or approximately 5.0% from approximately HK\$8.0 million for the Preceding Period to approximately HK\$7.6 million for the Period under review. Such decrease was mainly due to certain restaurants were closed down in April and June of 2024.



## MANAGEMENT DISCUSSION AND ANALYSIS

### Loss attributable to owners of the Company

For the Period, the loss attributable to owners of the Company was approximately HK\$11.4 million, as compared with a loss of approximately HK\$1.4 million for the Preceding Period. Such increase in loss was mainly due to the decrease in revenue as a result of the closure of two restaurants.

### PROSPECTS

The catering industry in Hong Kong are facing multiple challenges. It was hard hit by the changing consumption patterns of customers and rising food and labour costs. The weak consumption sentiment among Hong Kong consumes, coupled with trend of outbound travel and the rise of take-out and online ordering services, have hindered the recovery of the local economy. The Chinese restaurants, particularly, faced greater pressure. Labour-intensive service models and high rents make it difficult for traditional Chinese restaurants to stay profitable. The rise of “two-dish” eateries and fast-casual Chinese options reflects a broader consumption downgrade amid economic uncertainty.

Although the Group is currently facing a sluggish Hong Kong catering industry, leveraging on the Group’s solid experience accumulated over the years and its high quality food and services recognised by the market, we will review and consolidate our operations. At the same time, we will seize the opportunity to diversify our existing restaurant portfolio when the market conditions allow and expand our presence in the catering market.

The Group maintains an optimistic while prudent approach towards the uncertainties ahead to manage costs and enhance operational efficiency. We will keep on monitoring the market conditions and adopt flexible business strategies with an aim to provide customers with a quality dining experience. The Group will continue to commit to its core business and strengthen our competitive edges to drive sustainable development and enhance shareholder value of the Group.

### CAPITAL STRUCTURE

References are made to the announcements of the Company dated 2, 13, and 20 June 2025 in respect of the issue of new Shares by the Company under general mandate.

## MANAGEMENT DISCUSSION AND ANALYSIS

On 2 June 2025, the Group entered into a placing agreement, pursuant to which the Group has conditionally agreed to place, on a best effort basis, maximum of 48,384,000 placing shares. On 20 June 2025, a total of 48,384,000 placing shares were successfully placed to Mr. Lee Cheong Sun (“**Mr. Lee**”) at the placing price of HK\$0.10 per placing share, and Mr. Lee has become a substantial shareholder of the Company forthwith upon the completion of the placing. The 48,384,000 placing shares represent (i) approximately 20.00% of the total number of issued shares of the Company (the “**Shares**”) immediately before the completion of the placing; and (ii) approximately 16.67% of the total number of issued Shares as enlarged by the allotment and issue of the 48,384,000 placing shares immediately after the completion of the placing. The net proceeds from the placing are approximately HK\$4,550,000 and resulted in the increase in share capital of HK\$4,838,400. The Company proposes to use the net proceeds of (i) approximately 37.4% for 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\$1,700,000; (ii) approximately 44.0% for business development of the Group of up to approximately HK\$2,000,000; and (iii) approximately 18.6% for settlement of outstanding liabilities of the Company of up to approximately HK\$850,000.

As at 30 June 2025, the issued share capital of the Company was HK\$29,030,400 (represented by 290,304,000 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 30 June 2025, the Group had bank and other borrowings of approximately HK\$93.3 million which was denominated in Hong Kong Dollars (as at 31 December 2024: approximately HK\$93.5 million). The Group’s bank and other borrowings were primarily used in financing the working capital requirement of its operations.

As at 30 June 2025, the Group’s cash and cash equivalents were approximately HK\$0.7 million (as at 31 December 2024: approximately HK\$6.9 million).





## MANAGEMENT DISCUSSION AND ANALYSIS

### GEARING RATIO

As at 30 June 2025, the gearing ratio of the Group was approximately 376.0% (as at 31 December 2024: approximately 375.9%). 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 30 June 2025, the borrowings were secured by a building owned by the Group amounted to approximately HK\$25.1 million (as at 31 December 2024: approximately HK\$25.5 million), for certain banking facilities granted to the Group.

### SEGMENT INFORMATION

Segment information of the Group is disclosed in Note 5 to the unaudited condensed consolidated financial statements.

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

Save as disclosed elsewhere in this interim report, there were no significant investments held, material acquisitions and disposals of subsidiaries and affiliated companies by the Company during the Period. There were no other plans for material investments or capital assets as at 30 June 2025.

# MANAGEMENT DISCUSSION AND ANALYSIS

## DISCLOSEABLE TRANSACTION

On 27 June 2025, the Company entered into a business introduction agreement (the “**Agreement**”) with Calvary Consultant Limited (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 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 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.



## MANAGEMENT DISCUSSION AND ANALYSIS

The Group 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.

For details of the Engagement, please refer to the Company's announcement dated 27 June 2025.

### FOREIGN EXCHANGE EXPOSURE

Most of the income and expenditures of the Group are denominated in Hong Kong dollars ("HKD") and Renminbi ("RMB"), which are the functional currencies of the respective group entities. Although HKD is not pegged to RMB, the historical exchange rate fluctuation on RMB was not significant during the Period. Therefore, no significant exposure is expected on RMB transactions and balances.

The Group does not have any material foreign exchange exposure. During the Period, 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 30 June 2025 (as at 31 December 2024: Nil).

### COMMITMENTS

As at 30 June 2025, the Group did not have any commitments (as at 31 December 2024: Nil).

# MANAGEMENT DISCUSSION AND ANALYSIS

## INTERIM DIVIDEND

The board of Directors (the “**Board**”) does not recommend any payment of interim dividend for the Period (Preceding Period: Nil).

## EMPLOYEES AND EMOLUMENT POLICY

As at 30 June 2025, the Group had about 38 employees (as at 30 June 2024: 48 employees) working in Hong Kong. The total staff costs (including remuneration of Directors and mandatory provident fund contributions) for the Period amounted to approximately HK\$6.3 million (Preceding Period: approximately HK\$18.5 million). Employees are remunerated based on their qualifications, position and performance. The Group provides various trainings to its employees to enhance their technical skills and knowledge relevant to the employees’ responsibilities. The Group also provides its employees with quality control standards and work safety standards trainings to enhance their safety awareness.

The Company’s emolument policy (the “**Emolument Policy**”) comprises primarily a fixed component (in the form of a base salary) and a variable component (which include discretionary bonus and other merit payments), taking into account other factors such as their experience, level of responsibility, individual performance, the profit performance of the Group and general market conditions. The Company adopted the share option scheme (the “**Share Option Scheme**”) to recognise and reward the contribution of certain Directors and employees of the Group to the growth and development of the Group.

## COMPETING INTERESTS IN COMPETING BUSINESS

None of the Directors or their respective close associates (as defined in the GEM Listing Rules) had any business or interest which competed or might compete with the business of the Group nor had any other conflict of interests with the Group for the Period.



## MANAGEMENT DISCUSSION AND ANALYSIS

### SHARE OPTION SCHEME

The Company has conditionally adopted the Share Option Scheme by the resolutions in writing of all the shareholders of the Company (the “**Shareholders**”) passed on 15 December 2017. The Share Option Scheme enables the Company to grant share options to any Director, employee or other stakeholders to the Company or any of its subsidiaries, as incentives or rewards for their contributions to the Group for the purpose of attract and retain the best available personnel, to provide additional incentive to employees (full-time and part-time), Directors, consultants, advisers, distributors, contractors, suppliers, agents, customers, business partners or service providers of the Group and to promote the success of the business of the Group.

The subscription price of a Share in respect of any particular option granted under the Share Option Scheme shall be a price solely determined by the Board and notified to a participant and shall be at least the higher of: (i) the closing price of the Shares as stated in the Stock Exchange’s daily quotation sheet on the date of grant of the option, which must be a business day; (ii) the average of the closing prices of the Shares as stated in the Stock Exchange’s daily quotation sheet for the five business days immediately preceding the date of grant of the option; and (iii) the nominal value of a Share on the date of grant of the option.

The maximum number of Shares issuable upon exercise of all options to be granted under the Share Option Scheme and any other share option schemes of the Company as from the adoption date (excluding, for this purpose, Shares issuable upon exercise of options which have been granted but which have lapsed in accordance with the terms of the Share Option Scheme or any other share option schemes of the Company) must not in aggregate exceed 10% of all the Shares in issue. Therefore, it is expected that the Company may grant options in respect of up to 14,400,000 Shares, as adjusted by the share consolidation effective on 28 May 2021, to the participants under the Share Option Scheme.

## MANAGEMENT DISCUSSION AND ANALYSIS

The 10% limit as mentioned above may be refreshed at any time by approval of the Shareholders in general meeting provided that the total number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other share option schemes of the Company must not exceed 10% of the Shares in issue as at the date of approval of the refreshed limit. Options previously granted under the Share Option Scheme and any other share option schemes of the Company (including those outstanding, cancelled or lapsed in accordance with the terms of the Share Option Scheme and any other share option schemes of the Company) will not be counted for the purpose of calculating the refreshed 10% limit.

The total number of Shares issued and to be issued upon exercise of options granted to any participant (including both exercised and outstanding options) under the Share Option Scheme or any other share option schemes of the Company in any 12-month period up to the date of grant shall not exceed 1% of the Shares in issue. Any further grant of options in excess of such limit must be separately approved by Shareholders in general meeting with such grantee and his close associates (or his associates if the grantee is a connected person) abstaining from voting. In such event, the Company must send a circular to the Shareholders containing the identity of the grantee, the number and terms of the options to be granted (and options previously granted to such grantee), and all other information required under the GEM Listing Rules. The number and terms (including the subscription price) of the options to be granted must be fixed before the approval of the Shareholders and the date of the Board meeting proposing such further grant should be taken as the date of grant for the purpose of calculating the subscription price.

An option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period as the Board may determine which shall not exceed ten years from the date of grant subject to the provisions of early termination thereof.

The Share Option Scheme will remain in force for a period of 10 years commencing on the date on which the Share Option Scheme is adopted (i.e. 15 December 2017).

As at 1 January 2025 and 30 June 2025, the total number of share options available for grant under the Share Option Scheme was 14,400,000 on both dates. No service provider sublimit was set under the Share Option Scheme.

## MANAGEMENT DISCUSSION AND ANALYSIS

The total number of Shares that may be issued in respect of options and awards granted under all schemes of the Company during the six months ended 30 June 2025 (i.e. 14,400,000) divided by the weighted average number of Shares in issue for the six months ended 30 June 2025 (i.e. 244,860,000) was approximately 5.9%.

There was no outstanding share option at the start and at the end of the Period. During the Period, no share options were granted, exercised, cancelled or lapsed.

### EVENTS AFTER THE REPORTING PERIOD

On 28 August 2025, Scorching Dragon International Group Limited, a direct wholly-owned subsidiary of the Company, entered into a non-legally binding memorandum of understanding with 1957 & Co. (Hospitality) HK Limited in relation to the possible acquisition of 70% of the issued share capital of MANGO TREE (KOWLOON) LIMITED. For details, please refer to the Company's announcement dated 28 August 2025.

Save as disclosed elsewhere in this interim report, there are no significant events affecting the Group which have occurred after the Period and up to the date of this interim report.

### MATERIAL LITIGATION

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

##### *DCCJ838/2022*

On 22 March 2022, Oriental Etrade Limited ("**Oriental**"), as defendant and a wholly-owned subsidiary of the Company, 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 dishonored 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 a sum of HK\$2,000,000 and interest thereon as well as costs.

## MANAGEMENT DISCUSSION AND ANALYSIS

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

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 12 February 2025, Wealth Club was ordered to be wound up pursuant to an Order of the High Court of Hong Kong, and Mr. Wong Sun Keung and Ms. Tsui Mei Yuk Janice, both of Room 1502, 15/F., Tung Hip Commercial Building, 248 Des Voeux Road Central, Central and Western District, Hong Kong, were appointed by the Official Receiver as the joint and several provisional liquidators of Wealth Club.

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

On 4 May 2022, Premier Oriental Limited (“**Premier**”), as defendant and a wholly-owned subsidiary of the Company, 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.



## OTHER INFORMATION

### DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY

As at 30 June 2025, none of the Directors and chief executives of the Company had any interests or short positions in any shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Future Ordinance (the “SFO”)) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or which were required, pursuant to Rules 5.46 to 5.68 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange.

### SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

So far as known to the Directors or chief executive of the Company, as at 30 June 2025, the following persons/entities (other than the Directors and chief executive of the Company) had or were deemed to have an interest or a short position in the shares or the underlying shares of the Company which would be required to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register of the Company remained to be kept under Section 336 of the SFO, or who were directly or indirectly, interested in 5% or more of the nominal value of any class of share capital rights to vote in all circumstances at general meetings of the Company or any other member of the Group:

#### Long positions in ordinary shares and underlying shares of the Company as at 30 June 2025

Name of substantial Shareholders	Capacity/Nature of interest	Number of Shares held/interested	Approximate percentage of shareholding <sup>(Note 1)</sup>
Lee Cheong Sun	Beneficial owner	48,384,000	16.67%

## OTHER INFORMATION

Note:

1. The approximate percentages of shareholding in this table were calculated based on the number of issued shares of the Company as at 30 June 2025, being 290,304,000 Shares.

Save as disclosed above, as at 30 June 2025, there was no person or corporation, other than the Directors and chief executive of the Company whose interests are set out in the section “Directors’ and chief executives’ interest and short positions in shares, underlying shares and debenture of the Company” above, had or were deemed to have an interest or short position in the shares or the underlying shares of the Company which would be required to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register of the Company remained to be kept under Section 336 of the SFO, or who were directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company or any other member of the Group.

## PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY OR SALE OF TREASURY SHARES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company’s listed securities (including sale of treasury shares (as defined under the GEM Listing Rules)) during the Period.

As at 30 June 2025, there were no treasury shares (as defined under the GEM Listing Rules) held by the Company.

## DIRECTORS’ SECURITIES TRANSACTIONS

The Company has adopted the required standard of dealings set out in rules 5.48 to 5.67 of the GEM Listing Rules (the “**Required Standard of Dealings**”) as the code of conduct regarding Directors’ securities transactions in securities of the Company. Based on specific enquiry with the Directors, all Directors confirmed that they had fully complied with the Required Standard of Dealings and there was no event of non-compliance during the Period.



## OTHER INFORMATION

### 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 complied with the CG Code during the Period, except the following deviations:

Code provision B.3.5 of the CG Code requires that an issuer should appoint at least one director of a different gender to the nomination committee. Following the cessation of office of Ms. Shen Taiju (“**Ms. Shen**”), a former non-executive Director, on 12 June 2025, the Board has comprised directors of a single gender. Subject to the qualifications and competence of the proposed appointee, the Company anticipates that the new female Director, if successfully appointed, will also be appointed as a member of the nomination committee (the “**Nomination Committee**”) of the Board.

Code provision C.1.7 of the CG Code requires that an issuer should arrange appropriate insurance cover in respect of legal action against its directors. The Company did not arrange such insurance cover during the Period 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 D.2.2 of the CG Code requires an issuer should have an internal audit function. The Group has yet to establish its internal audit function during the Period. 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.1.3 of the CG Code requires the chairman of the board and the chairmen of any other committees of an issuer to attend and answer questions at the annual general meeting. Mr. Tsung Ching Fung, the chairman of the Audit Committee and an independent non-executive Director, was unable to attend the annual general meeting (the “**AGM**”) of the Company due to other work commitments.

## OTHER INFORMATION

### USE OF PROCEEDS FROM PLACING OF NEW SHARES UNDER GENERAL MANDATE

On 2 June 2025, Rifa Securities Limited (the “**Placing Agent**”) and the Company entered into a placing agreement (the “**Placing Agreement**”), pursuant to which the Company has conditionally agreed to place, through the Placing Agent, on a best effort basis, maximum of 48,384,000 placing Shares to the Placees who and whose ultimate beneficial owners would be third parties independent of the Company and not connected with the Company and its connected persons. On the date of the Placing Agreement, the closing price was HK\$0.048 per Share as quoted on the Stock Exchange.

On 20 June 2025, the Company completed a placing (the “**Placing**”) of 48,384,000 Shares at a placing price of HK\$0.10 per Share under general mandate. The net proceeds from the Placing amounted to approximately HK\$4.55 million, and the net price (after deducting related costs and expenses of the Placing) under the Placing was approximately HK\$0.094 per placing Share.

Set out below is the actual use of net proceeds during the period ended 30 June 2025:

Use of net proceeds	Net proceeds HK\$'000	Net proceeds utilised during the six months ended 30 June 2025	Unutilised net proceeds as at 30 June 2025	Expected timeline on utilisation of unutilised net proceeds
		HK\$'000	HK\$'000	HK\$'000
General working capital	1,700	1,700	–	–
Business development	2,000	2,000	–	–
Settlement of outstanding liabilities	850	850	–	–
	4,550	4,550	–	–

As disclosed in the Company’s announcement dated 20 June 2025, all Shares issued under the Placing were allotted to Mr. Lee Cheong Sun (“**Mr. Lee**”). As disclosed in the Company’s announcement dated 13 June 2025, to the best of the Directors’ knowledge, information and belief, Mr. Lee is a merchant in Hong Kong and he is an independent third party of the Company and not connected with the Company and its connected persons.

For details, please refer to the Company’s announcements dated 2, 13, and 20 June 2025.



## OTHER INFORMATION

### CHANGE OF DIRECTORS

The offices of Mr. Tang Hong Jiang (“**Mr. Tang**”), Ms. Liang Li and Mr. Huang Ai Chun (collectively, the “**Subject Directors**”) as the executive Directors have been vacated (the “**Vacation of Office**”) with effect from 14 March 2025 pursuant to the resolutions passed by the Board meeting held on 14 March 2025. The Vacation of Office was made on the ground that the Subject Directors had been absent from the meetings of the Board more than six continuous months since 23 May 2024 respectively, without special leave of absence from the Board and therefore failed to discharge their duties as a Director. The Board resolved to vacate their offices pursuant to Article 105(c) of the amended and restated articles of association of the Company. For details, please refer to the Company’s announcement dated 14 March 2025.

Following the vacation of the office of Mr. Tang as the executive Director, Mr. Tang has also ceased to be (i) the chairman of the Board; (ii) the chairman of the Nomination Committee; (iii) be the compliance officer of the Company; (iv) the authorised representative of the Company under Rule 5.24 of the GEM Listing Rules; and (v) the authorized representative of the Company under Part 16 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) (position (iv) and (v) together, the “**Authorised Representatives**”) with effect from 14 March 2025.

Mr. Li Tao, an executive Director, was appointed as the Authorised Representatives between 14 March 2025 and 20 May 2025.

Mr. Lo Shing Shan, an independent non-executive Director, has been appointed as the chairman of the Nomination Committee with effect from 14 March 2025.

On 20 May 2025, Ms. Shen tendered her resignation from her office of non-executive Director with effect from 12 June 2025 due to her other business commitments.

Mr. Chan Yuen Lung, Alfred (“**Mr. Chan**”) was appointed as an executive Director and the Chairman of the Board on 20 May 2025, and re-elected at the annual general meeting of the Company held on 26 June 2025 in accordance with the articles of association of the Company. For details, please refer to the announcements of the Company dated 20 May 2025 and 26 June 2025 and the circulars of the Company dated 29 April 2025 and 29 May 2025.

## OTHER INFORMATION

On 28 July 2025, Mr. Chan was appointed as the sole director of Scorching Dragon International Group Limited, a direct wholly-owned subsidiary of the Company.

Save as stated above, there is no other information of the Directors required to be disclosed pursuant to Rule 17.50A of the GEM Listing Rules.

## 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 Audit Committee reviews the financial information and reporting process, internal control procedures and risk management system, audit plan and relationship with external auditors 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.

The Group's unaudited condensed consolidated financial statements for the Period have been reviewed by the Audit Committee. The Audit Committee is of the opinion that the unaudited condensed consolidated financial statements of the Group for the Period comply with applicable accounting standards, GEM Listing Rules and that adequate disclosures have been made.

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

Hong Kong, 29 August 2025

*As at the date of this report, 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.*