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Scorching Dragon Holdings Limited

炙龍控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8493)

VOLUNTARY ANNOUNCEMENT MEMORANDUM OF UNDERSTANDING IN RELATION TO PROPOSED TRANSACTION

This announcement is made by Scorching Dragon Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) on a voluntary basis to provide the shareholders and potential investors of the Company with the latest business development of the Group.

THE MEMORANDUM OF UNDERSTANDING

The board (the “**Board**”) of directors (the “**Directors**”) of the Company is pleased to announce that, on 13 August 2026 (after trading hours), the Company entered into a memorandum of understanding (the “**MOU**”) with Mr. Yang Weijie (the “**Buyer**”), pursuant to which the Company intends to dispose of the entire equity interests in Dragon King Holdings Limited, a wholly-owned subsidiary of the Company (the “**Target Company**”) to the Buyer (the “**Proposed Transaction**”).

The consideration for the Proposed Transaction shall be HK\$1 and the commercial terms for the Proposed Transaction will be further negotiated in good faith and determined under a legally binding formal agreement (the “**Definitive Agreement**”) between the parties.

Pursuant to the MOU, the Company shall grant to the Buyer an exclusive right to discuss, negotiate and finalise the Definitive Agreement for a period of sixty (60) days from the date of the MOU (or such longer period as the parties thereto may otherwise agree in writing) (the “**Exclusivity Period**”). During such period, the Buyer shall be entitled to carry out due diligence review of the legal, financial, business and compliance matters of the Target Company.

The MOU shall terminate upon (i) the Buyer has materially breached its binding obligations under the MOU and failed to remedy the breach within five (5) business days of receiving written notice; (ii) the information provided by the Company is materially false, misleading, or incomplete; and (iii) both parties agree in writing to terminate the MOU, whichever is earliest.

The MOU shall create no legal and binding obligations on the parties thereto, save for certain provisions including but not limited to the exclusivity, confidentiality, termination and governing law.

INFORMATION OF THE TARGET COMPANY AND THE BUYER

The Target Company

The Target Company is a company incorporated in the British Virgin Islands with limited liability. As at the date of this announcement, the Company is the legal and beneficial owner of the entire issued share capital of the Target Company.

The Target Company is principally engaged in investment holdings and its subsidiaries were principally engaged in operation and management of restaurants. A subsidiary of the Target Company also holds several trademarks including “Dragon King”, “Dragon Seal”, “Dragon Feast” and “Dragon Gown”, and that any similarly named Hong Kong company is not related to the Proposed Transaction. As at the date of this announcement, all the restaurants operated by the Target Company and its subsidiaries were closed down due to under-performance, and no business has been conducted since that time.

The Buyer

The Buyer is a businessman previously worked in the real estate business in China. In 2017, he moved to Cambodia and currently operates quarries and commercial real estate businesses there. The Buyer was introduced to the Company by an acquaintance of a former director of a subsidiary of the Group.

To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, the Buyer is a third party independent of the Company and its connected persons.

REASONS FOR AND BENEFITS OF ENTERING INTO THE MOU AND THE PROPOSED TRANSACTION

The Company is a company incorporated in the Cayman Islands with limited liability and the principal activity of the Company is investment holding. The Group is principally engaged in the operation and management of restaurants.

The Directors consider that the Proposed Transaction represents a strategic opportunity for the Group to divest the long-term drag on the Company’s non-performing assets, allowing the Group to improve its financial position and devote more resources to the new restaurant operations. The Proposed Transaction, if materialised, will enable the Group to align with the Group’s long-term business development strategy, enable the Group to solidly achieve a viable and sustainable business and enhance long-term shareholder value.

GENERAL

The Proposed Transaction, if materialised, may constitute a notifiable transaction of the Company under the Rules Governing the Listing of Securities on GEM (the “**GEM Listing Rules**”) of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). Further announcement(s) will be made by the Company as and when appropriate in compliance with the GEM Listing Rules.

The Board wishes to emphasise that no definitive agreement in relation to the Proposed Transaction has been entered into by the Group as at the date of this announcement. As such, the Proposed Transaction may or may not materialise. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

CONTINUED SUSPENSION OF TRADING

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

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

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

Hong Kong, 13 August 2026

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

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules of the Stock Exchange for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the “Latest Listed Company Information” page of the website of the Stock Exchange at www.hkexnews.hk for at least 7 days from the date of its publication and on the website of the Company at www.8493.hk.