Scorching Dragon Holdings Limited
炙龍控股有限公司

(Incorporated in the Cayman Islands with limited liability)
Stock Code: 8493

2026 INTERIM REPORT

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 and no assurance is given that there will be a liquid market in the securities traded on GEM.

*This report, for which the directors (the "**Directors**") of Scorching Dragon 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.*

CONTENTS

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Chan Yuen Lung Alfred *(Chairman)*
Ms. Tang Po Yee Joey
Mr. Li Tao (retired on 23 June 2026)

Independent Non-executive Directors

Mr. Chow Yik
Mr. Yu Kwan Tseung Alvin
Mr. Tam Tsz Hin
(appointed on 16 January 2026)

AUDIT COMMITTEE

Mr. Yu Kwan Tseung Alvin *(Chairman)*
Mr. Chow Yik
Mr. Tam Tsz Hin
(appointed on 16 January 2026)

REMUNERATION COMMITTEE

Mr. Chow Yik *(Chairman)*
Mr. Yu Kwan Tseung Alvin
Mr. Tam Tsz Hin
(appointed on 16 January 2026)

NOMINATION COMMITTEE

Mr. Yu Kwan Tseung Alvin *(Chairman)*
Mr. Chow Yik
Ms. Tang Po Yee Joey
Mr. Tam Tsz Hin
(appointed on 16 January 2026)

AUTHORISED REPRESENTATIVES

Mr. Chan Yuen Lung Alfred
Mr. Ngai Tsz Hin Michael

COMPANY SECRETARY

Mr. Ngai Tsz Hin Michael

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

CORPORATE INFORMATION

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

Fubon Bank (Hong Kong) Limited
Bank of Communications (Hong Kong) Ltd.
Hang Seng Bank Limited

COMPANY WEBSITE

https://www.8493.hk/

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 2026, together with the unaudited comparative figures for the corresponding period in 2025 as follows:

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

For the six months ended 30 June 2026

		Unaudited	
		2026	2025
	Notes	**HK$'000**	HK$'000
Revenue	5	**4,333**	9,428
Costs of inventories consumed		**(1,464)**	(2,500)
Gross profit		**2,869**	6,928
Other income and gains, net	6	**15**	3
Staff costs		**(4,401)**	(6,278)
Depreciation of property, plant and equipment		**(474)**	(414)
Depreciation of right-of-use assets		**(971)**	–
Gain on liquidation of a subsidiary		**28,989**	–
Rental and related expenses		**(140)**	(3,466)
Other operating expenses		**(5,582)**	(7,550)
Finance costs		**(483)**	(608)
Profit/(loss) before tax	7	**19,822**	(11,385)
Income tax expenses	8	**–**	–
Profit/(loss) and total comprehensive income/(expense) for the period attributable to the owners of the Company		**19,822**	(11,385)
		HK cents	HK cents
Earnings/(loss) per share			
– Basic and diluted	10	**6.83**	(4.65)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2026

	Notes	Unaudited 30 June 2026 HK$'000	Audited 31 December 2025 HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment	11	**25,614**	24,703
Right-of-use assets		**5,441**	–
Deposits		**–**	–
Deferred tax assets		**71**	71
Total non-current assets		**31,126**	24,774
CURRENT ASSETS			
Inventories		**1,578**	1,343
Trade receivables	12	**533**	–
Prepayments, deposits and other receivables		**2,622**	670
Tax recoverable		**6**	6
Cash and cash equivalents		**5,475**	3,736
Total current assets		**10,214**	5,755
CURRENT LIABILITIES			
Trade payables	13	**25,591**	27,999
Other payables and accruals		**16,355**	39,198
Bank and other borrowings		**88,250**	84,178
Lease liabilities		**3,664**	349
Amount due to a director		**5,509**	2,717
Other financial liabilities		**9,974**	6,245
Tax payable		**403**	403
Total current liabilities		**149,746**	161,089
NET CURRENT LIABILITIES		**(139,532)**	(155,334)
TOTAL ASSETS LESS CURRENT LIABILITIES		**(108,406)**	(130,560)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2026

	Notes	**Unaudited 30 June 2026 HK$'000**	Audited 31 December 2025 HK$'000
NON-CURRENT LIABILITIES			
Lease liabilities		**2,514**	182
NET LIABILITIES		**(110,920)**	(130,742)
CAPITAL AND RESERVES			
Share capital	14	**29,030**	29,030
Reserves		**(139,950)**	(159,772)
TOTAL DEFICIENCY IN EQUITY		**(110,920)**	(130,742)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2026

	Share capital	Share premium	Other reserve	Capital reserve	Exchange fluctuation reserve	Accumulated loss	Total deficiency in equity
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
At 1 January 2025 (Audited)	24,192	95,976	(43,224)	42,703	(143)	(240,402)	(120,898)
Loss and total comprehensive expense for the period	–	–	–	–	–	(11,385)	(11,385)
Placing of new shares (Note 14(a))	4,838	–	–	–	–	–	4,838
At 30 June 2025 (Unaudited)	29,030	95,976	(43,224)	42,703	(143)	(251,787)	(127,445)
At 1 January 2026 (Audited)	**29,030**	**95,976**	**(43,224)**	**42,703**	**(143)**	**(255,084)**	**(130,742)**
Profit and total comprehensive income for the period	**–**	**–**	**–**	**–**	**–**	**19,822**	**19,822**
At 30 June 2026 (Unaudited)	**29,030**	**95,976**	**(43,224)**	**42,703**	**(143)**	**(235,262)**	**(110,920)**

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2026

	Unaudited	
	2026	2025
	HK$'000	HK$'000
NET CASH USED IN OPERATING ACTIVITIES	**(6,670)**	(9,679)
NET CASH (USED IN)/FROM INVESTING ACTIVITIES		
Addition of property, plant and equipment	**(1,385)**	–
Interest received	**4**	2
Net cash outflow from liquidation of a subsidiary	**(42)**	–
	(1,423)	2
FINANCING ACTIVITIES		
Placing of new shares	**–**	4,838
New other borrowings raised	**7,800**	–
Repayment of bank borrowings	**–**	(195)
Interest paid on other borrowings	**(234)**	–
Payment of lease liabilities	**(526)**	(122)
Advance from/(repayment to) a director	**2,792**	(1,047)
NET CASH FROM FINANCING ACTIVITIES	**9,832**	3,474
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	**1,739**	(6,203)
Cash and cash equivalents at the beginning of the period	**3,736**	6,891
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD, represented by cash and cash equivalents	**5,475**	688

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 2026 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 2026 are consistent with those adopted in the Group's audited annual report dated 31 March 2026 (the "**2025 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 2026 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 2026.

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 2026 have been prepared under the historical cost convention. The unaudited condensed consolidated financial statements for the six months ended 30 June 2026 are presented in thousand of Hong Kong dollars ("**HK$'000**"), which is also the functional currency of the Group.

During the six months ended 30 June 2026, the Group's current liabilities exceeded its current assets by approximately HK$139,532,000 and the Group had net liabilities by approximately HK$110,920,000. As at the same date, the Group's total current interest-bearing bank and other borrowings amounted to approximately HK$88,250,000 while its cash and cash equivalents amounted to approximately HK$5,475,000. 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) management has been considering other financing arrangements including but not limited to rights issue, issue of new shares/convertible bonds, or other equity fund raising activities with a view to increasing the Group's capitalisation/equity;

(ii) the Group had interest-bearing bank and other borrowings of approximately HK$88,250,000 as at 30 June 2026, of which approximately HK$75,582,000 is repayable within one year. The remaining interest-bearing bank borrowings, amounting to approximately HK$12,668,000 were classified as current liabilities due to the existence of a repayment on demand clause in the loan agreements. The Group will continue to raise with other creditors to assesses the feasibility of extending or deferring repayment obligations, or to consider other alternative repayment managements 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 and other borrowings upon their maturity;

(iii) 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; and

(iv) 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.

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.

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 2025.

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 2025.

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 2025.

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 2025.

(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.

5. REVENUE

(i) Disaggregated revenue information from contracts with customers

	Unaudited	
	2026	2025
	HK$'000	HK$'000
Type of goods or services		
Revenue from Chinese restaurant operations	**4,333**	9,428
Geographical markets		
Hong Kong	**4,333**	9,428
Timing of revenue recognition		
At a point in time	**4,333**	9,428

(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	
	2026	2025
	HK$'000	HK$'000
Other income and gains, net		
Bank interest income	**4**	2
Exchange gain	**11**	–
Others	**–**	1
	15	3

7. LOSS FOR THE PERIOD

Loss for the period has been arrived at after charging:

	Unaudited	
	2026	2025
	HK$'000	HK$'000
Auditor's remuneration	**440**	440
Employee benefit expense (excluding directors' and chief executive's remuneration)		
– salaries, bonuses and allowances	**3,238**	5,515
– retirement benefit scheme contributions	**130**	212
	3,808	5,727

8. INCOME TAX EXPENSES

For the six months ended 30 June 2026 and 2025, 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	
	2026	2025
	HK$'000	HK$'000
Current – Hong Kong	**–**	–
Total tax charge for the periods	**–**	–

9. DIVIDEND

The Board does not recommend any payment of interim dividend in respect of the six months ended 30 June 2026 (2025: Nil).

10. EARNINGS/(LOSS) PER SHARE

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

	Unaudited	
	2026	2025
	HK$'000	HK$'000
Profit/(loss) attributable to owners of the Company for the purpose of basic and diluted earnings/(loss) per share	**19,822**	(11,385)

	Number of shares	
	2026	2025
	'000	'000
Weighted average number of ordinary shares for the purpose of calculating basic and diluted earnings/(loss) per share	**290,304**	244,860

No diluted earnings/(loss) per share for the six months ended 30 June 2026 and 2025 were presented as there were no potential ordinary shares in issue for the six months ended 30 June 2026 and 2025.

11. PROPERTY, PLANT AND EQUIPMENT

For the six months ended 30 June 2026, property, plant and equipment purchased by the Group was approximately HK$1,385,000 (2025: Nil).

12. TRADE RECEIVABLES

	Unaudited 30 June 2026 HK$'000	Audited 31 December 2025 HK$'000
Receivables at amortised cost	**533**	–

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 2026 HK$'000	Audited 31 December 2025 HK$'000
0–30 days	**533**	–
Over 180 days	**–**	–
	533	–

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 2026 HK$'000	Audited 31 December 2025 HK$'000
0–30 days	**830**	–
31–60 days	**–**	–
61–90 days	**–**	–
Over 90 days	**24,761**	27,999
	25,591	27,999

14. SHARE CAPITAL

	Nominal Value HK$	Number of shares	HK$'000
Authorised:			
At 1 January 2025, 31 December 2025 and 30 June 2026	0.1	500,000,000	50,000
Issued and fully paid:			
At 1 January 2025		241,920,000	24,192
Placing of new shares on 20 June 2025 (Note (a))		48,384,000	4,838
At 31 December 2025 and 1 January 2026 and 30 June 2026	0.1	290,304,000	29,030

Note:

(a) 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.

BUSINESS AND OPERATION REVIEW

The Group is a Cantonese full-service restaurant group operating Cantonese cuisine restaurants under its self-owned brands.

Restaurant Operations

The Group is committed to providing its customers with high-quality food, attentive service and a comfortable dining environment.

During the six months ended 30 June 2026, the Group commenced operations of three Chinese restaurants in Hong Kong. The restaurant in Mong Kok, currently operating under the brand name of "Tong Yay Seafood Restaurant (唐悅海鮮酒家)" (formerly known as Mong Kok (Dragon King) Seafood Restaurant (旺角(龍皇)海鮮菜館)) (the "**Mong Kok Restaurant**"), officially commenced operations on 22 January 2026. The Group subsequently opened two additional Chinese restaurants under the brand names of "Tong Arch (唐坊)" in Lai Chi Kok (the "**Lai Chi Kok Restaurant**") and "Tong Arch Pavilion (唐坊火鍋私房菜)" in Yaumatei (the "**Yaumatei Restaurant**") in May 2026.

The three restaurants offer a diverse range of Cantonese cuisine, including handmade dim sum, roasted meat ("siu mei"), fresh seafood, soups and signature dishes suitable for casual dining, group dining, family gatherings and traditional Chinese banquets. The Yaumatei restaurant also offers home-style gourmet dishes and hotpot featuring fresh and seasonal ingredients.

Subsequently, the Group entered into a provisional tenancy agreement/a letter of offer in July 2026 for the operation of two other Chinese restaurants in Tsim Sha Tsui East (the "**TSTE Restaurant**") and Cheung Sha Wan (the "**Cheung Sha Wan Restaurant**") respectively. The opening of the Mong Kok Restaurant, the Lai Chi Kok Restaurant and the Yaumatei Restaurant, together with the proposed opening of the TSTE Restaurant and the Cheung Sha Wan Restaurant, represent the determination of the Board to proactively reformulate and redevelop the Group's business operations, diversify its restaurant portfolio, broaden its revenue base and enhance its operational and administrative efficiency.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Revenue

For the six months ended 30 June 2026 (the "**Period**"), the Group recorded a total revenue of approximately HK$4.3 million, against approximately HK$9.4 million for the six months ended 30 June 2025 (the "**Preceding Period**"), representing a decrease of approximately 54.3%. The Group's revenue for the Period was principally generated from the operation of three new Chinese restaurants. The decrease in revenue was mainly resulted from closedown of the sole remaining restaurant in October 2025 and the three new restaurants were only opened in January 2026 and May 2026 respectively.

The Mong Kok Restaurant, currently operating under the brand name of "Tong Yay Seafood Restaurant (唐悦海鮮酒家)", officially commenced operations on 22 January 2026. The Group subsequently opened the "Tong Arch (唐坊)" restaurant in Lai Chi Kok and the "Tong Arch Pavilion (唐坊火鍋私房菜)" restaurant in Yaumatei in May 2026.

For the Preceding Period, the Group's revenue was principally generated from the restaurant located in Wan Chai. It was operated under the brand name of "Dragon Gown (龍袍)", as it had suspended operations since 13 October 2025, primarily attributable to the enforcement of a warrant of distress by the Bailiff of the High Court.

Gross profit and gross profit margin

The gross profit of the Group (i.e. revenue minus cost of inventories consumed) amounted to approximately HK$2.9 million for the Period versus approximately HK$6.9 million for the Preceding Period, representing a decrease of approximately HK$4 million or approximately 58.0%.

The Group's overall gross profit margin for the Period was 66.2%, compared to the Preceding Period at 73.5%.

Other income and gains, net

The Group's other income and gains, net increased by approximately HK$12,000 from approximately HK$3,000 for the Preceding Period to approximately HK$15,000 for the Period.

Staff costs

During the Period, staff costs amounted to approximately HK$4.4 million, representing a decrease of approximately HK$1.9 million or approximately 30.2% as compared to approximately HK$6.3 million for the Preceding Period.

Depreciation of right-of-use assets

Depreciation of right-of-use assets of the Group was charged on a straight-line basis. 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$3.4 million from approximately HK$3.5 million for the Preceding Period to approximately HK$0.1 million for the Period. Such decrease was mainly attributable to the rental and related expenses of the closed down restaurant in the Preceding Period.

Other operating expenses

The Group's other operating expenses decreased by approximately HK$2.0 million or approximately 26.3% from approximately HK$7.6 million for the Preceding Period to approximately HK$5.6 million for the Period. Such decrease was mainly due to the other operating expenses incurred in connection with the closed down restaurants in the Preceding Period.

Finance costs

Finance costs amounted to approximately HK$0.5 million for the Period, representing a decrease of approximately 16.7%, as compared with approximately HK$0.6 million for the Preceding Period.

Loss attributable to owners of the Company

For the Period, the profit attributable to owners of the Company was approximately HK$19.8 million, as compared with a loss of approximately HK$11.4 million for the Preceding Period. Such increase in profit was mainly attributable to:

(i) a one-off gain on liquidation of a subsidiary of approximately HK$29.0 million; and

(ii) the increased depreciation of right-of-use assets of approximately HK$1.0 million.

PROSPECTS

The catering industry in Hong Kong is 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 consumers, 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.

The Group is currently positively facing the 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.

MANAGEMENT DISCUSSION AND ANALYSIS

Notwithstanding the challenging operating environment, the Group remains committed to its core Chinese catering business. During the six months ended 30 June 2026, the Group commenced operations of three Chinese restaurants in Hong Kong, namely, "Tong Yay Seafood Restaurant (唐悅海鮮酒家)" in Mong Kok, "Tong Arch (唐坊)" in Lai Chi Kok and "Tong Arch Pavilion (唐坊火鍋私房菜)" in Yaumatei. These restaurants serve different customer segments and offer a diverse range of Cantonese cuisine, including handmade dim sum, roasted meat, fresh seafood, traditional Chinese dishes, home-style gourmet dishes and hotpot.

Subsequent to the end of the reporting period, the Group entered into a provisional tenancy agreement/a letter of offer in respect of the proposed opening of new Chinese restaurants in Tsim Sha Tsui East and Cheung Sha Wan respectively. The TSTE Restaurant officially commenced operation on 11 August 2026 and it is expected that the Cheung Sha Wan Restaurant would commence operation in August 2026. The Group will closely monitor the progress of the proposed restaurant project(s) and make further announcement(s) as and when appropriate in accordance with the GEM Listing Rules.

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

During the six months ended 30 June 2026, there was no change in the issued share capital of the Company. As at 30 June 2026, the issued share capital of the Company was HK$29,030,400, comprising 290,304,000 ordinary shares of HK$0.10 each.

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 2026, the Group had bank and other borrowings of approximately HK$88.3 million which were denominated in Hong Kong Dollars (as at 31 December 2025: approximately HK$84.2 million). The Group's bank and other borrowings were primarily used in financing the working capital requirement of its operations.

As at 30 June 2026, the Group's cash and cash equivalents were approximately HK$5.5 million (as at 31 December 2025: approximately HK$3.7 million).

GEARING RATIO

As at 30 June 2026, the gearing ratio of the Group was approximately 436.7% (as at 31 December 2025: approximately 595.4%). 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 2026, the borrowings were secured by a building owned by the Group amounted to approximately HK$24.3 million (as at 31 December 2025: approximately HK$24.7 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 OR 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 2026.

DISCLOSEABLE TRANSACTION

Offer to License in respect of the Lai Chi Kok Restaurant

On 26 March 2026, TF F&B Limited ("**TF F&B**"), an indirect wholly-owned subsidiary of the Company as licensee, entered into an Letter of Offer (the "**Letter of Offer**") in respect of a license to occupy a shop located in a shopping mall in Lai Chi Kok, Kowloon, Hong Kong (the "**Lai Chi Kok Premises**"), for a term of two years commencing from 1 April 2026 for a new Chinese restaurant. The Group operates a Chinese restaurant under the brand name of "Tong Arch (唐坊)" at the Lai Chi Kok Premises, which commenced operations in May 2026. Pursuant to HKFRS 16, the licensed use of the Lai Chi Kok Premises was recognised as a right-of-use asset of approximately HK$2.2 million. For details of the Letter of Offer, please refer to the Company's announcement dated 26 March 2026.

The basic license fee for the Lai Chi Kok Premises is HK$100,000 per month, exclusive of management fee, promotional levy, rates and land rent, with a license fee-free period of 45 days from 1 April 2026 to 15 May 2026 (both days inclusive). If the monthly gross receipts exceed HK$1,500,000 during the license period, an additional turnover fee equal to 9% of the monthly gross receipts exceeding HK$1,500,000 will be payable. The relevant license fees, management fees, promotional levies and deposit are funded by the Group's internal resources.

As one or more of the applicable percentage ratios calculated pursuant to Rule 19.06 of the GEM Listing Rules in respect of the value of the right-of-use asset exceeded 5% but all applicable percentage ratios were less than 25%, the licensed use of the Lai Chi Kok Premises constituted a discloseable transaction for the Company and was subject to the reporting and announcement requirements under Chapter 19 of the GEM Listing Rules. For details, please refer to the Company's announcement dated 26 March 2026.

Offer to Rent in respect of the Yaumatei Restaurant

On 16 April 2026, TF F&B, as tenant, entered into an offer to rent (the "**Offer to Rent**") with Champion Globe Development Limited ("**Champion Globe**"), as landlord, pursuant to which TF F&B and Champion Globe agreed to enter into a tenancy agreement in respect of the leasing of the 23rd floor of Grand Place, No. 560 Nathan Road, Kowloon, Hong Kong, with a gross floor area of approximately 124.67 square metres (the "**Yaumatei Premises**"), for a term of two years from 1 May 2026 to 30 April 2028 (both days inclusive).

The monthly rental for the Yaumatei Premises is HK$100,000, exclusive of management fee, rates and government rent, with an aggregate rent-free period of 28 days. The monthly rental, management fee and deposit are funded by the Group's internal resources.

As one or more of the applicable percentage ratios calculated pursuant to Rule 19.06 of the GEM Listing Rules in respect of the value of the right-of-use asset exceeded 5% but all applicable percentage ratios were less than 25%, the leasing of the Yaumatei Premises constituted a discloseable transaction for the Company and was subject to the reporting and announcement requirements under Chapter 19 of the GEM Listing Rules. For details, please refer to the Company's announcement dated 16 April 2026.

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 2026 (as at 31 December 2025: Nil).

COMMITMENTS

As at 30 June 2026, the Group did not have any commitments (as at 31 December 2025: Nil).

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 2026, the Group had about 46 employees (as at 30 June 2025: 38 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$4.4 million (Preceding Period: approximately HK$6.3 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 includes 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.

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.

An offer for the grant of options must be accepted within seven days inclusive of the day on which such offer was made. The amount payable by the grantee of an option to our Company on acceptance of the offer for the grant of an option is HK$1.

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.

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 2026 and 30 June 2026, 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.

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 2026 (i.e. 14,400,000) divided by the weighted average number of Shares in issue for the six months ended 30 June 2026 (i.e. 290,304,000) was approximately 5.0%.

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

Discloseable Transaction – TSTE Restaurant

Reference is made to the announcement of the Company dated 6 July 2026. TF F&B, as tenant, entered into a provisional tenancy agreement with Goodpoint Holdings Limited, as landlord, in respect of the leasing of premises situated in Tsim Sha Tsui, for a term of two years commencing from 16 July 2026, for the operation of a new Chinese restaurant in Tsim Sha Tsui East (the "**TSTE Restaurant**") by the Group. The TSTE Restaurant intends to offer classic Hong Kong-style cuisine, dim sum, signature dishes and set menus, with the aim of attracting families and tourists seeking a relaxed dining experience. The TSTE Restaurant officially commenced operations on 11 August 2026. For details, please refer to the Company's announcement dated 6 July 2026.

Discloseable Transaction – Office Premises

Reference is also made to the announcement of the Company dated 9 July 2026. On 9 July 2026, Scorching Dragon Commercial Management Group Limited, an indirect wholly-owned subsidiary of the Company, as tenant, entered into a tenancy agreement (the "**Office Tenancy Agreement**") with Boham International Limited, as landlord, in respect of the leasing of office units nos. 1112 and 1113 on the 11th Floor of New East Ocean Centre, No. 9 Science Museum Road, Tsim Sha Tsui, Kowloon, Hong Kong (the "**Office Premises**"), for use as office premises of the Group. The term of the Office Tenancy Agreement is three years from 17 August 2026 to 16 August 2029 (both days inclusive). For details, please refer to the Company's announcement dated 9 July 2026.

Discloseable Transaction and termination of a major transaction – CSW Premises

Reference is made to the announcements of the Company dated 10 and 30 July 2026. TF F&B, as tenant, entered into a letter of offer (the "**First CSW Offer Letter**") with Land City International Limited ("**Land City**"), as landlord, in respect of the leasing of premises in Cheung Sha Wan (the "**CSW Premises**"), for a term of two years commencing on 17 August 2026. The Group intends to operate a new modern Hong Kong-style restaurant under the business name of "Tong Arch Joie Kitchen (唐坊快樂小廚)" (the "**Cheung Sha Wan Restaurant**") at such premises. However, after further reviewing the timetable for the proposed fitting-out works and commencement of operations at the CSW Premises, the Group decided to obtain earlier access to the CSW Premises to expedite the commencement of operations of the Cheung Sha Wan Restaurant.

On 30 July 2026, TF F&B, as tenant, entered into a termination agreement to terminate the First CSW Offer Letter and entered into a new letter of offer in respect of the leasing of the CSW Premises for 18 months commencing on 1 August 2026. For details, please refer to the announcements of the Company dated 10 and 30 July 2026.

Winding-Up order issued against a subsidiary

Reference is made to the announcement of the Company dated 7 August 2026. Premier Oriental Limited ("**Premier Oriental**"), an indirect wholly-owned subsidiary of the Company, was ordered to be wound up pursuant to a winding-up order (the "**Order**") of the High Court of Hong Kong (the "**High Court**") on 5 August 2026. The Order stems from a winding-up petition filed on 14 May 2026 by Lee Tin Sung against Premier Oriental in the High Court under the provisions of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong). Prior to the Order, Premier Oriental operated a restaurant which ceased operations on 13 October 2025. For details, please refer to the Company's announcement dated 7 August 2026.

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.

High Court of the Hong Kong Special Administrative Region

HCCW358/2026

On 14 May 2026, a winding-up petition (the "**Petition**") was filed by Lee Tin Sung against Premier Oriental, an indirect wholly-owned subsidiary of the Company. The Petition was filed in the High Court under HCCW358/2026. Premier Oriental previously operated a restaurant until its operations ceased on 13 October 2025.

Subsequently, on 7 August 2026, Premier Oriental was ordered to be wound up pursuant to an order of the High Court, and Osman Mohammed Arab and Wong Kwok Keung, both of Acclime Corporate Advisory (Hong Kong) Limited, were appointed by the Official Receiver as the joint and several provisional liquidators of Premier Oriental.

HCCW764/2024

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.

Further, on 26 September 2025, 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, Hong Kong, were appointed by the Official Receiver as the joint and several liquidators of Wealth Club.

HCCW381/2025

On 24 June 2025, a winding-up petition (the "**Petition**") was filed by a creditor against King Harbour Limited ("**King Harbour**"), an indirect wholly-owned subsidiary of the Company. The Petition was filed in the High Court under HCCW381/2025. King Harbour previously operated a restaurant in Kwun Tong until its operations ceased in June 2024.

Subsequently, on 3 September 2025, King Harbour was ordered to be wound up pursuant to an order of the High Court, and Arab Osman Mohammed and Wong Kwok Keung, both of 29th Floor, Lee Garden Two, 28 Yun Ping Road, Causeway Bay, Hong Kong, were appointed by the Official Receiver as the joint and several provisional liquidators of King Harbour.

Further, on 20 March 2026, 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, Hong Kong, were appointed by the Official Receiver as the joint and several liquidators of Wealth Club.

OTHER INFORMATION

RESUMPTION GUIDANCE

Trading in the Shares on the Stock Exchange has been suspended with effect from 9:00 a.m. on Monday, 20 October 2025.

On 9 January 2026, the Stock Exchange sent a letter to the Company, setting the guidance for the resumption of trading in the Shares on the Stock Exchange (the "**Resumption Guidance**"). Pursuant to the Resumption Guidance, the Company shall (i) demonstrate its compliance with GEM Rule 17.26; (ii) re-comply with GEM Rules 5.05(1) and 5.28; and (iii) inform the market of all material information for the Company's shareholders and investors to appraise its position. The Company has fulfilled resumption condition (ii) since 16 January 2026. The Company must meet all the Resumption Guidance, remedy the issues causing its trading suspension, and fully comply with the GEM Listing Rules to the Stock Exchange's satisfaction before trading in its securities is allowed to resume.

Under Rule 9.14A(1) of the GEM Listing Rules, the Stock Exchange may cancel the listing of any securities that have been suspended from trading for a continuous period of 12 months. In the case of the Company, the 12-month period expires on 19 October 2026. If the Company fails to remedy the issues causing its trading suspension, fulfil the Resumption Guidance and fully comply with the GEM Listing Rules to the Stock Exchange's satisfaction and resume trading in its Shares by 19 October 2026, the Listing Division will recommend the Listing Committee to proceed with the cancellation of the Company's listing. Under Rules 9.01, 9.04, 9.14 and 9.15 of the GEM Listing Rules, the Stock Exchange also has the right to impose a shorter specific remedial period or to cancel the listing of the Company immediately, where appropriate.

As at the date of this report, trading in the Shares remained suspended. The Company will continue to take appropriate steps to fulfil the outstanding Resumption Guidance and will make further announcement(s) regarding the progress of the resumption as and when appropriate and in accordance with the GEM Listing Rules. For details, please refer to the Company's announcement dated 19 January 2026 and quarterly update announcements dated 17 April and 17 July 2026.

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

As at 30 June 2026, 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 Futures 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 5.67 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 2026, 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 2026

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

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 2026, being 290,304,000 Shares.

Save as disclosed above, as at 30 June 2026, 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 2026, 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.

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 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.

AUDIT COMMITTEE

The Audit Committee was established on 15 December 2017.

The Audit Committee comprises three independent non-executive Directors, namely Mr. Yu Kwan Tseung Alvin as chairman, Mr. Chow Yik and Mr. Tam Tsz Hin.

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
Scorching Dragon Holdings Limited
Chan Yuen Lung Alfred
Executive Director and Chairman

Hong Kong, 14 August 2026

As at the date of this report, the Board comprises Mr. Chan Yuen Lung Alfred (Chairman) 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.