Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

Scorching Dragon Holdings Limited
炙龍控股有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 8493)

INSIDE INFORMATION

(1) DECISION OF THE GEM LISTING COMMITTEE ON CANCELLATION OF LISTING; (2) POSSIBLE REQUEST FOR REVIEW BY THE GEM LISTING REVIEW COMMITTEE; AND (3) CONTINUED SUSPENSION OF TRADING

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

Reference is made to the announcements of the Company dated (i) 17 October 2025 in relation to, among other things, the suspension of trading in the shares of the Company (the "**Shares**"); (ii) 19 January 2026 in relation to the resumption guidance issued by the Stock Exchange (the "**RG Announcement**"); (iii) 5 October 2026 in relation to the additional resumption guidance issued by the Stock Exchange; and (iv) 31 October 2025, 30 January 2026, 17 April 2026, 17 July 2026 and 16 October 2026 in relation to the quarterly updates on business progress and status of resumption (collectively, the "**Announcements**"). Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcements and RG Announcement.

DECISION OF THE GEM LISTING COMMITTEE TO CANCEL THE LISTING OF THE COMPANY

The board of directors of the Company (the "**Board**") regrets to announce that on 13 November 2026, the Company received a letter from the Stock Exchange (the "**Letter**") informing the Company that the GEM Listing Committee of the Stock Exchange (the "**GEM Listing Committee**") had, on 12 November 2026, considered the Company's case, including the Company's resumption submission dated 18 October 2026 together with its request for an extension of the remedial period to 16 November 2026 (the "**Extension Request**").

The GEM Listing Committee decided to reject the Extension Request and to cancel the listing of the Company under Rule 9.14A(1) of the GEM Listing Rules (the "**Decision**"), as it considered that the Company had not fulfilled all of the resumption guidance (other than the resumption guidance relating to re-compliance with Rules 5.05(1) and 5.28 of the GEM Listing Rules) and trading in the Shares had remained suspended.

For reference, the resumption guidance set by the Stock Exchange (as supplemented, the "**Resumption Guidance**") required the Company to:

(i) demonstrate its compliance with Rule 17.26 of the GEM Listing Rules ("**RG1**");

(ii) conduct an independent internal control review and demonstrate that the Company has in place adequate internal controls and procedures to meet its obligations under the GEM Listing Rules ("**RG2**");

(iii) re-comply with Rules 5.05(1) and 5.28 of the GEM Listing Rules ("**RG3**"); and

(iv) inform the market of all material information for the Company's shareholders and investors to appraise its position ("**RG4**").

REASONS FOR THE DECISION

According to and as extracted from the Letter, in arriving at the Decision, the GEM Listing Committee had considered the following:

1. Trading in the Shares had been suspended since 20 October 2025. Under Rule 9.14A(1) of the GEM Listing Rules, the Stock Exchange has the right to cancel the Company's listing if the Company failed to resume trading by 19 October 2026.

2. The GEM Listing Committee considered that the Company had not fulfilled all the Resumption Guidance other than RG3, and trading in the Shares had remained suspended.

RG1 – demonstrate compliance with Rule 17.26 of the GEM Listing Rules

3. The Company's operations had deteriorated over the past five years. Following its failure to repay its debt, the Company ceased its original restaurant operations after the Enforcement in October 2025. Shortly thereafter, the Company rebuilt its restaurant business by opening five new restaurants (the "**New Restaurants**") within a relatively short period, under a reformulated business model and with a substantially new management team. The reformulated business had a limited operating track record and the Company continued to record losses and negative operating cash flows. The Company forecasted net losses for 2026 and 2027 and a turnaround only in 2028. However, there was insufficient basis to support the material assumptions underlying the forecast. Accordingly, the GEM Listing Committee considered that the Company had not demonstrated re-compliance with Rule 17.26 of the GEM Listing Rules.

On operations

4. Following Mr. Wong Wing Chee's disposal of his entire shareholding and cessation as an executive Director in 2021, the Group's restaurant operations progressively deteriorated. From 2022, the Group recorded losses and negative operating cash flows, except for a small net profit and positive operating cash flow in 2023. The deterioration culminated in the Enforcement and cessation of the Group's remaining restaurant operation.

5. The Company rebuilt its restaurant business by opening the New Restaurants within a relatively short period by taking over readily serviceable premises previously occupied by other restaurant operators and outsourcing staff for certain restaurants. By taking these steps, the Company substantially reduced the preparatory work and lead time required to commence operations. Notwithstanding the Company's efforts to satisfy the resumption requirements, the diverse restaurant concepts and rapid expansion raised concerns as to whether the rebuilt business reflected a coherent and sustainable commercial strategy.

6. Further, there was a limited track record for the current management to operate the restaurant business. While the senior management executive responsible for day-to-day operations had over 40 years' experience in the Hong Kong catering industry, that executive joined the Group only in June 2026. The Company continued to record losses since rebuilding its restaurant business. For the nine months ended 30 September 2026, while the New Restaurants generated revenue and gross profit of approximately HK$13.41 million and HK$8.44 million respectively, they recorded a restaurant-level net loss of approximately HK$5.52 million. The Group also incurred corporate-level expenses of approximately HK$6.04 million and finance costs of approximately HK$1.16 million on borrowings used to fund the rebuilding of the business.

7. The Company also relied substantially on its forecasts to demonstrate the viability and sustainability of the reformulated business. The forecasts assumed material improvements in both revenue and profitability from the current level of operations through operational and cost-control measures, which had not been fully implemented or demonstrated. Based on the information provided, the GEM Listing Committee considered that the Company had not provided sufficient basis to support such forecasts. Further, the Company forecasted net losses in 2026 and 2027, with profitability only from 2028.

8. In light of the above, the Company had not demonstrated that its rebuilt business was of substance, viable and sustainable.

On assets

9. Due to financial difficulties, the Company ceased all its operations in October 2025. Subsequently, the Company rebuilt its business through debt financing. As at 30 June 2026, the Group had a relatively low cash balance of approximately HK$5.5 million while it had substantial net current liabilities and net liabilities. The Company intended to improve its financial position through a proposed disposal (the "**Proposed Disposal**") and a proposed rights issue (the "**Proposed Rights Issue**"). However, the Company had not entered into any agreement for these proposed actions. The GEM Listing Committee therefore did not consider that the Company had sufficient assets to enable it to operate a business which was of substance, viable and sustainable.

10. In light of the above, the GEM Listing Committee was not satisfied that the Company had demonstrated its compliance with Rule 17.26 of the GEM Listing Rules. Accordingly, RG1 was not fulfilled.

RG2 – conduct an independent internal control review and demonstrate adequate internal controls and procedures

11. The independent internal control review (the "**IC Review**") and remediation remained outstanding. RG2 was therefore not fulfilled. Further, the proposed timetable allowed only five days between confirmation of the IC Review findings and completion of remediation testing, casting doubt on whether the remedial measures could be adequately implemented and tested within that timeframe.

RG3 – re-comply with Rules 5.05(1) and 5.28 of the GEM Listing Rules

12. The GEM Listing Committee considered that RG3 had been fulfilled upon the appointment of an additional independent non-executive Director on 16 January 2026.

RG4 – inform the market of all material information

13. Fulfilment of RG4 was to be assessed after the Company had met all the other Resumption Guidance. For the reasons mentioned above, RG4 was not met.

No valid reasons for time extension

14. The Company requested an extension of the remedial period to 16 November 2026. The GEM Listing Committee considered that the Company was not entitled to a time extension, for the following reasons:

    (a) One of the bases submitted for the time extension was that the Company considered that it had substantially implemented the steps required to fulfil all the Resumption Guidance other than RG2. However, in light of the concerns set out in paragraphs 3 to 10 above, the GEM Listing Committee considered that RG1 remained substantively unfulfilled, and such concerns would not be addressed by an extension of time.

    (b) As set out in paragraph 11 above, the proposed timetable allowed only five days between confirmation of the IC Review findings and completion of remediation testing. The GEM Listing Committee had concerns as to whether the remedial measures could be adequately implemented and tested within that timeframe, and therefore whether RG2 could be fulfilled.

    (c) Having considered the above, there was insufficient certainty that the Company would meet all the Resumption Guidance, re-comply with the GEM Listing Rules and resume trading within the requested extension period, if granted.

15. In these circumstances, the Stock Exchange was entitled to delist the Company under Rule 9.14A(1) of the GEM Listing Rules.

POSSIBLE REQUEST FOR REVIEW BY THE GEM LISTING REVIEW COMMITTEE

As stated in the Letter, unless the Company applies for a review of the Decision in accordance with its rights under Chapter 4 of the GEM Listing Rules, the last day of listing of the Shares will be 27 November 2026 and the listing of the Shares will be cancelled with effect from 9:00 a.m. on 30 November 2026. In that event, the Stock Exchange will publish an announcement on 25 November 2026 on the cancellation of the Company's listing.

Under Chapter 4 of the GEM Listing Rules, the Company has the right to have the Decision referred to the GEM Listing Review Committee for review. Rule 4.08 of the GEM Listing Rules provides that an application for review has to be made to the Secretary of the GEM Listing Review Committee within seven business days of the issue of the Decision, i.e. on or before 24 November 2026. If an application for review is made, the Company will be required to provide its written submission, together with the grounds for review, within five business days of the submission of the review application.

The Board regrets the Decision and considers that the GEM Listing Committee has not thoroughly taken into account of the evidence submitted by the Company. The Board hereby announces that, after internal discussions and consultations with its professional advisers, it intends to apply for a review of the Decision by the GEM Listing Review Committee within the prescribed time limit. Shareholders and potential investors should note that the outcome of the review is uncertain. Further announcement(s) will be made by the Company to inform shareholders of the progress of the review as and when appropriate.

CONTINUED SUSPENSION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended with effect from 9:00 a.m. on 20 October 2025 and will remain suspended until further notice.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company. Shareholders who have any queries about the implications of the Decision and the possible cancellation of listing are advised to obtain appropriate professional advice.

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

Hong Kong, 16 November 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 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 https://www.8493.hk.