Scorching Dragon Holdings Limited
炙龍控股有限公司

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

MAJOR TRANSACTION IN RELATION TO THE OFFER TO LEASE

THE LETTER OF OFFER

The Board is pleased to announce that on 10 July 2026, TF F&B, a wholly-owned subsidiary of the Company, as tenant received the Letter of Offer which was accepted by the Landlord as landlord in respect of the leasing of the Premises for a term of two years commencing on 17 August 2026 and expiring on 16 August 2028 (both days inclusive) together with an option to renew for a further term of two years.

GEM LISTING RULES IMPLICATIONS

Pursuant to HKFRS 16, the Group will be required to recognise the value of the right-of-use asset in connection with the leasing of the Premises in its consolidated statement of financial position. Accordingly, the transaction contemplated under the Letter of Offer will be regarded as an acquisition of assets by the Group for the purpose of Rule 19.04(1)(a) of the GEM Listing Rules.

As one or more of the percentage ratios calculated pursuant to Rule 19.06 of the GEM Listing Rules in respect of the value of the right-of-use asset to be recognised by the Group under the Letter of Offer according to HKFRS exceeds 25% but is less than 100%, the transaction contemplated under the Letter of Offer constitutes a major transaction for the Company and is subject to the reporting, announcement and shareholders’ approval requirements pursuant to Chapter 19 of the GEM Listing Rules.

Shareholders and potential investors of the Company should note that the Letter of Offer is intended to set out the principal commercial terms of the proposed Tenancy Agreement and that the parties are expected to enter into a formal tenancy agreement. The proposed leasing of the Premises is subject to, among other things, the fulfilment (or waiver, where applicable) of the conditions precedent set out in the Letter of Offer. Accordingly, there is no assurance that the proposed leasing of the Premises will proceed or be completed. Shareholders and potential investors of the Company are therefore advised to exercise caution when dealing in the securities of the Company.

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OFFER TO LEASE

The principal terms of the Letter of Offer are set out below:

Date:	10 July 2026
Parties:	(1) Landlord (as landlord); and (2) TF F&B (as tenant)
Premises:	A portion of Ground Floor of Laws Commercial Plaza (now known as Shop B), No. 788 Cheung Sha Wan Road, Kowloon, Hong Kong
Term:	A fixed term of two (2) years commencing on 17 August 2026 and expiring on 16 August 2028 (both days inclusive) together with an option to renew for a further term of two (2) years as set out below.

Rent:	Monthly basic rent of HK$150,000 (inclusive of management fee and air-conditioning fee but exclusive of rates, government rent, utilities and other outgoings), payable monthly in advance, plus turnover rent equal to 12% of the amount by which the monthly gross takings exceed HK$1,000,000, payable monthly in arrears. The Tenancy Agreement provides for a rent-free period of 45 days. The rent and other amounts payable under the Letter of Offer and the Tenancy Agreement will be financed by the internal resources of the Group.
Option to renew:	Subject to TF F&B not being in breach of the tenancy agreement and upon the Tenant serving a written notice exercising the option between 17 January 2027 and 16 February 2028 (both days inclusive), the Landlord shall grant a renewal of the Tenancy Agreement for a further term of two (2) years commencing on 17 August 2028 and expiring on 16 August 2030 (both days inclusive). The renewed tenancy shall be on the same terms and conditions as the Tenancy Agreement (other than the option to renew and the rent-free period), with the monthly basic rent being the then open market rent to be agreed between the Landlord and TF F&B or, failing such agreement, determined by an independent chartered surveyor, provided that the monthly basic rent shall not be less than HK$150,000 (inclusive of management fee and air-conditioning fee but exclusive of rates, government rent, utilities and other outgoings). TF F&B shall also pay turnover rent equal to 14% of the amount by which the monthly gross receipts from the business carried on at the Premises exceed HK$1,000,000, to the extent such amount exceeds the monthly basic rent.
Security Deposit:	A refundable security deposit in the amount of HK$600,000, being equivalent to four months' basic rent (including the initial deposit), shall be payable by the Tenant upon execution of the Tenancy Agreement. The security deposit shall be retained by the Landlord throughout the term of the Tenancy Agreement without interest.
Initial Deposit:	Upon acceptance of the Letter of Offer, an initial deposit in the amount of HK$150,000, being equivalent to one month's basic rent, shall be paid by the Tenant to the Landlord. The initial deposit shall form part of the security deposit payable by the Tenant upon execution of the Tenancy Agreement.

Tenancy:	The Landlord and TF F&B shall enter into a formal tenancy agreement in respect of the Premises in accordance with a notice in writing from the Landlord or its solicitors which shall contain the terms in the Letter of Offer and other terms and conditions to be mutually agreed between the parties. If the Landlord and TF F&B fail to enter into the Tenancy Agreement, the Landlord may either (i) stamp the Letter of Offer, thereby deeming the Tenancy Agreement to have been signed and to be enforceable against the parties, or (ii) terminate the Letter of Offer immediately by seven days written notice, whereupon the Initial Deposit shall be forfeited to the Landlord, as and for liquidated damages, but without prejudice to any other right or remedy.
Conditions precedent to the Letter of Offer:	The obligations of the Tenant under the Letter of Offer are conditional upon, (i) the Company having complied with all applicable requirements under the GEM Listing Rules in relation to the transactions contemplated under the Letter of Offer, including obtaining the approval of the Shareholders at the EGM (where applicable); (ii) all necessary approvals, consents, waivers and authorisations required under the GEM Listing Rules having been obtained and remaining in full force and effect; and (iii) no governmental, regulatory or other competent authority having objected to, restricted or prohibited the transactions contemplated under the Letter of Offer. If the conditions precedent are not fulfilled (or waived by the Tenant to the extent legally permissible) on or before the Long Stop Date, the Letter of Offer shall automatically lapse and cease to have effect. No legally binding lease or tenancy agreement shall arise unless and until all the conditions precedent have been satisfied (or waived by the Tenant to the extent legally permissible).

The terms of the Letter of Offer, including but not limited to the consideration payable, were determined after arm's length negotiations between the Landlord and TF F&B with reference to the prevailing market rent for comparable properties of similar type, age and location.

INFORMATION ON THE GROUP

The Group is a Cantonese full-service restaurant group operating Cantonese cuisines restaurant under its self-owned brand. In line with its strategy to provide high quality food and services and to diversify its cuisine offerings and revenue base, the Group has been actively identifying quality restaurant businesses in the Cantonese and Asia-Pacific cuisine segments to expand its business footprint.

TF F&B is a company with limited liability incorporated under the laws of Hong Kong and is an indirect wholly-owned subsidiary of the Company. As at the date of this announcement, TF F&B currently operates two Chinese restaurants under the brand name of Tong Arch and Tong Arch Pavilion, both opened in May 2026 as detailed in the announcements of the Company dated 26 March 2026 and 16 April 2026, respectively. As disclosed in the Company's announcement dated 6 July 2026, TF F&B entered into a provisional tenancy agreement for premises to be used as a new Chinese restaurant in Tsim Sha Tsui East. The restaurant is expected to offer classic Hong Kong-style cuisine, dim sum, signature dishes and set menus.

INFORMATION ON THE LANDLORD

The Landlord is a company with limited liability incorporated under the laws of Hong Kong and is an indirect wholly-owned subsidiary of Laws Property Group Limited, which provides diversified services, including property development and investment, car park management and property management services, across Hong Kong, Mainland China and Southeast Asia. Based on publicly available information, Laws Property Group Limited has various industrial, commercial and retail property projects located in different districts of Hong Kong.

To the best of the Directors' knowledge, information, and belief, having made all reasonable enquiries, as of this announcement, each of the Landlord and the ultimate beneficial owner is an Independent Third Party.

REASONS FOR AND BENEFITS ENTERING INTO THE LETTER OF OFFER

The management of the Company has been trying its best effort to work out a viable business strategy towards the future business development of the Group's Chinese restaurants.

In 2026, the Group have opened three new Chinese restaurants under the brand name of "Tong Yay Seafood Restaurant (唐悦海鮮酒家)" (formerly known as "旺角(龍皇)海鮮菜館 (Mong Kok (Dragon King) Seafood Restaurant") (the "**Mongkok Restaurant**"), Tong Arch (唐坊) (the "**Lai Chi Kok Restaurant**") and Tong Arch Pavilion (唐坊火鍋私房菜) (the "**Yaumatei Restaurant**"). These restaurants offer a wide range of Chinese cuisine, including handmade dim sum, roasted meats ("siu mei"), fresh seafood, soups and signature dishes suitable for group dining, traditional Chinese banquets and family dining. The Yaumatei Restaurant also offers home-style gourmet dishes and premium hotpot featuring fresh seasonal seafood, quality meats, specialty soup bases and signature dishes that blend traditional flavours with modern culinary techniques. The Group's latest project, a new Chinese restaurant situated in Tsim Sha Tsui East, an area with a high concentration of office buildings, hotels and the renowned Tsim Sha Tsui East waterfront, is expected to commence operations in late August. The restaurant will 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 Group intends to use the Premises to operate a modern Hong Kong-style kitchen with a general restaurant concept under the business name Tong Arch Joie Kitchen (唐坊快樂小廚). The new restaurant will further diversify the Group's restaurant portfolio and complement its existing restaurant operations. The Premises are located in Cheung Sha Wan, a well-established commercial and industrial district in Kowloon with a sizeable office and working population. The Board considers that the location of the Premises is well positioned to attract a diverse customer base. The Directors consider that the location of the Premises is well positioned to attract customers from the surrounding commercial and residential areas, thereby enabling the Group to broaden its customer base.

Subject to the fulfilment of the conditions precedent under the Letter of Offer and the execution of the tenancy agreement, the Group intends to commence operations at the Premises in August 2026. Prior to the commencement of operations, the Premises will undergo minor fitting-out and renovation works.

The Board (including the independent non-executive Directors) considers that the terms of the Letter of Offer and the transaction contemplated thereunder are fair and reasonable, on normal commercial terms, and in the interests of the Company and its shareholders as a whole.

GEM LISTING RULES IMPLICATIONS

Pursuant to HKFRS 16, the Group will be required to recognise the value of the right-of-use asset in connection with the leasing of the Premises in its consolidated statement of financial position. Accordingly, the transaction contemplated under the Letter of Offer will be regarded as an acquisition of assets by the Group for the purpose of Rule 19.04(1)(a) of the GEM Listing Rules.

As one or more of the percentage ratios calculated pursuant to Rule 19.06 of the GEM Listing Rules in respect of the value of the right-of-use asset to be recognised by the Group under the Letter of Offer according to HKFRS exceeds 25% but is less than 100%, the transaction contemplated under the Letter of Offer constitutes a major transaction for the Company and is subject to the reporting, announcement and shareholders' approval requirements pursuant to Chapter 19 of the GEM Listing Rules.

EGM AND DESPATCH OF CIRCULAR

The EGM will be convened to consider and, if thought fit, approve, among other things, the Letter of Offer and the transactions contemplated thereunder.

To the best of the Directors' knowledge, information, and belief, having made all reasonable enquiries, no Shareholder has a material interest in the Letter of Offer and the transactions contemplated thereunder. As such, no Shareholder will be required to abstain from voting on the resolution(s) to approve the Letter of Offer and the transaction contemplated thereunder at the EGM.

Pursuant to Rule 19.60(7) of the GEM Listing Rules, a circular containing, among other things, (i) details of the Letter of Offer; (ii) the notice of EGM; and (iii) other information as required under the GEM Listing Rules is required to be despatched to the Shareholders within 15 business days after the publication of this announcement.

Shareholders and potential investors of the Company should note that the Letter of Offer is intended to set out the principal commercial terms of the proposed lease and that the parties are expected to enter into a formal tenancy agreement. The proposed leasing of the Premises is subject to, among other things, the fulfilment (or waiver, where applicable) of the conditions precedent set out in the Letter of Offer. Accordingly, there is no assurance that the proposed leasing of the Premises will proceed or be completed. Shareholders and potential investors of the Company are therefore advised to exercise caution when dealing in the securities of the Company.

DEFINITIONS

In this announcement, the following expressions have the following meanings:

"Board"	the Board of Directors
"Company"	Scorching Dragon Holdings Limited(炙龍控股有限公司), an exempted company incorporated in the Cayman Islands with limited liability whose shares are listed and traded on GEM of the Stock Exchange (Stock Code: 8493)
"connected person(s)"	has the meaning as ascribed to it under the GEM Listing Rules
"Director(s)"	the director(s) of the Company
"EGM"	the extraordinary general meeting of the Company to be held and convened to approve, among other things, the Letter of Offer, and the transactions contemplated thereunder
"GEM"	GEM operated by the Stock Exchange
"GEM Listing Rules"	The Rules Governing the Listing of Securities on GEM of the Stock Exchange, as amended, supplemented or otherwise modified from time to time

"Group"	the Company and its subsidiaries from time to time
"HK$"	Hong Kong dollar(s), the lawful currency of Hong Kong
"HKFRS"	the Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China
"Independent Third Party(ies)"	independent third party(ies) who is(are) not connected with the Company and its connected persons (as defined in the GEM Listing Rules)
"Landlord"	Land City International Limited, a company with limited liability incorporated under the laws of Hong Kong
"Letter of Offer"	the letter of offer to lease executed by TF F&B (as tenant) and accepted by the Landlord (as landlord) 10 July 2026 for the leasing of the Premises
"Long Stop Date"	17 August 2026, or such later date as the Landlord and TF F&B may agree in writing
"Premises"	A portion of Ground Floor of Laws Commercial Plaza (now known as Shop B), No. 788 Cheung Sha Wan Road, Kowloon, Hong Kong
"Share(s)"	the ordinary share(s) of HK$0.10 each in the issued share capital of the Company
"Shareholder(s)"	the holder(s) of the Share(s)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"TF F&B"	TF F&B Limited, a company with limited liability incorporated under the laws of Hong Kong and is an indirect wholly-owned subsidiary of the Company
"Tenancy Agreement"	the tenancy agreement to be entered into between TF F&B (as tenant) and the Landlord (as landlord) pursuant to the Letter of Offer for the leasing of the Premises
"%"	per cent.

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.

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

Hong Kong, 10 July 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.