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GLORY FLAME HOLDINGS LIMITED
朝威控股有限公司

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 8059)

CLARIFICATION ANNOUNCEMENT IN RELATION TO PLACING OF NEW SHARES UNDER GENERAL MANDATE

Placing Agent

國泰君安國際
GUOTAI JUNAN INTERNATIONAL

Guotai Junan Securities (Hong Kong) Limited
國泰君安證券(香港)有限公司

Reference is made to the announcement of Glory Flame Holdings Limited (the "**Company**") dated 9 May 2016 (the "**Announcement**") relating to the placing of new shares of the Company under general mandate. Unless otherwise stated, terms used herein shall have the same meanings as defined in the Announcement.

The Company noted that there was a typographical error on page 6 of the Announcement (in both English and Chinese versions) under the heading "Fund Raising Activities by the Company in the Past Twelve Months". The Company wishes to clarify that the net proceeds raised from the placing of new shares under general mandate as announced by the Company on 8 April 2016 and 5 May 2016 should be "approximately HK$64,147,010" instead of "approximately HK$88,387,200" as stated in the fund raising activities table on page 6 of the Announcement (in both English and Chinese versions).

Other than the above clarification, the contents of the Announcement (in both the English and Chinese versions) remain unchanged.

By order of the Board
Glory Flame Holdings Limited
Pei Wing Fu
Chairman

Hong Kong, 10 May 2016

As at the date of this announcement, the executive Directors are Mr. Pei Wing Fu, Ms. Pei Wing Sze Clare, Ms. Che Xiaoyan, Mr. Chong Yu Keung and Mr. Liu Zhong Ping; the non-executive Director is Mr. Zheng Si Rong; and the independent non-executive Directors are Ms. Lee Suk Fong, Mr. Tsang Wai Wa and Mr. Liu Ping.

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 GEM website at www.hkgem.com on the "Latest Company Announcements" page for at least 7 days from the date of its posting and the Company's website at www.drillcut.com.hk.