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If you are in doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your Shares in Glory Flame Holdings Limited (the “Company”), you should at once hand this circular with the accompanying proxy form to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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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)

(1) PROPOSED REMOVAL AND APPOINTMENT OF DIRECTORS BY THE REQUISITIONIST; AND (2) PROPOSED RE-ELECTION OF DIRECTORS

Capitalised terms used in this cover page shall have the same meanings as those defined in the section headed “Definitions” in this circular.

The EGM Notice convening the Extraordinary General Meeting to be held at Jasmine Room, 3/F, BEST WESTERN PLUS Hotel Hong Kong, 308, Des Voeux Road West, Hong Kong on Thursday, 13 April 2017 at 9:30 a.m. is set out on pages EGM-1 to EGM-4 of this circular. A form of proxy for use at the Extraordinary General Meeting was enclosed with the EGM Notice sent to the Shareholders on 10 March 2017. Whether or not you are able to attend the Extraordinary General Meeting, you are requested to complete the form of proxy enclosed with the EGM Notice sent to you in accordance with the instructions printed thereon and return the same to the office of the Company’s branch share registrar and transfer office in Hong Kong, BoardRoom Share Registrars (HK) Limited at 31/F, 148 Electric Road, North Point, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for holding the Extraordinary General Meeting or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the Extraordinary General Meeting or at any adjournment thereof (as the case may be) should you so wish.

This circular will also be published on the website of the Company at www.gf-holdings.com.

28 March 2017

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

GEM has been positioned as a market designed to accommodate 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. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions have the following meanings:

“Articles”	the articles of association of the Company adopted on 2 August 2014 and as amended from time to time
“Board”	the board of Directors
“Company”	Glory Flame Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on GEM of the Stock Exchange
“Director(s)”	the director(s) of the Company
“EGM Notice”	a notice of extraordinary general meeting issued by the Company dated 10 March 2017 setting out the proposed resolutions
“Extraordinary General Meeting” or “EGM”	the extraordinary general meeting of the Company to be held and convened at Jasmine Room, 3/F, BEST WESTERN PLUS Hotel Hong Kong, 308, Des Voeux Road West, Hong Kong on Thursday, 13 April 2017 at 9:30 a.m., the EGM Notice of which is set out on pages EGM-1 to EGM-4 of this circular or, where the context so requires any adjournment thereof
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of The People’s Republic of China
“Latest Practicable Date”	23 March 2017, being the latest practicable date prior to printing of this circular for ascertaining certain information contained in this circular
“Mr. Bai”	Mr. Bai Honghai, an independent non-executive Director
“Mr. Chan”	Mr. Chan Kam Wah, an independent non-executive Director
“Ms. Che”	Ms. Che Xiaoyan, an executive Director
“Mr. Huang”	Mr. Huang Jian (黃健), who is being proposed by the Requisitionist to be elected as an independent non-executive Director

DEFINITIONS

“Mr. Liu”	Mr. Liu Zhong Ping, an executive Director
“Mr. Man”	Mr. Man Wai Lun, an executive Director
“Mr. Pau”	Mr. Matthew Pau (鮑文光), who is being proposed by the Requisitionist to be elected as an independent non-executive Director
“Mr. Wei”	Mr. Wei Sheng, who is being proposed by the Requisitionist to be elected as an executive Director
“Mr. Wong”	Mr. Wong Chau Ping (黃秋平), who is being proposed by the Requisitionist to be elected as a non-executive Director
“Mr. Zheng”	Mr. Zheng WanZhang (鄭玩樟), who is being proposed by the Requisitionist to be elected as an executive Director
“Nominated Directors”	Mr. Zheng, Mr. Wei, Mr. Wong, Mr. Pau and Mr. Huang
“PRC”	The People’s Republic of China
“Requisition”	a written requisition dated 17 February 2017, together with the biographical details of the Nominated Directors enclosed therewith, deposited with the Company from the Requisitionist, requesting, among other things, to convene an extraordinary general meeting of the Company for the transaction of the businesses specified therein
“Requisitionist”	Mr. Wu Xiongbín, who is a Shareholder holding not less than one tenth of the paid up capital of the Company having the right of voting at general meetings of the Company as at the date of the Requisition
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	share(s) of nominal value of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

LETTER FROM THE BOARD

GLORY FLAME HOLDINGS LIMITED

朝威控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 8059)

Executive Directors:

Ms. Che Xiaoyan
Mr. Liu Zhong Ping
Mr. Man Wai Lun
Ms. Jiao Fei
Ms. Yang Nina
Mr. Li Shunmin
Mr. Guan Jincheng

Non-Executive Directors:

Mr. Zheng Si Rong
Mr. Wong Tik Tung (*suspended*)
Ms. Wu Chunping

Independent non-executive Directors:

Mr. Chan Kam Wah
Mr. Bai Honghai
Mr. Li An Sheng
Mr. Shen Xingxing

Registered Office:

Clifton House
75 Fort Street, P.O. Box 1350
Grand Cayman KY1-1108
Cayman Islands

*Head office and principal place
of business in Hong Kong:*

Room 1901, 19/F, COFCO Tower
No. 262 Gloucester Road
Causeway Bay, Hong Kong

28 March 2017

To the Shareholders

Dear Sir or Madam,

**(1) PROPOSED REMOVAL AND APPOINTMENT OF
DIRECTORS BY THE REQUISITIONIST;**

AND

(2) PROPOSED RE-ELECTION OF DIRECTORS

INTRODUCTION

References are made to the announcements of the Company dated 20 February 2017 and 9 March 2017, respectively, in relation to the Requisition and the EGM Notice together with the form of proxy enclosed therewith that have been sent to the Shareholders on 10 March 2017.

LETTER FROM THE BOARD

The purpose of this circular is to provide you with information regarding the Requisition and information provided in connection therewith; and resolutions to be proposed at the Extraordinary General Meeting relating to, among other things, the appointment of the Nominated Directors; the removal of certain existing Directors as at the date of this circular; and re-election of Directors.

THE REQUISITION AND INFORMATION PROVIDED IN CONNECTION THEREWITH

As announced by the Board in the announcement of the Company dated 20 February 2017, on 17 February 2017, the Company received the Requisition from the Requisitionist, who is a Shareholder holding not less than one tenth ($\frac{1}{10}$) of the paid up capital of the Company having the right of voting at general meetings of the Company as at the date of the Requisition.

As at the date of the Requisition, the Requisitionist held 86,000,000 Shares, representing approximately 10.94% of the total issued share capital of the Company.

Pursuant to Article 64 of the Articles, extraordinary general meetings of the Company shall be convened on the requisition of one or more Shareholders holding, at the date of deposit of the requisition, not less than one tenth ($\frac{1}{10}$) of the paid up capital of the Company having the right of voting at general meetings of the Company. Such requisition shall be made in writing to the Board or the company secretary of the Company for the purpose of requiring an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition. Such meeting shall be held within two (2) calendar months after the deposit of such requisition. If within twenty-one (21) days of such deposit, the Board fails to proceed to convene such meeting, the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company. In accordance with Article 64 of the Articles, the EGM Notice together with the form of proxy enclosed therewith were duly despatched by the Board to the Shareholders on 10 March 2017.

The businesses specified in the Requisition contained eleven (11) proposed resolutions for (i) appointment of two (2) candidates namely, Mr. Zheng and Mr. Wei as executive Directors, one (1) candidate namely, Mr. Wong as non-executive Director, and two (2) candidates namely, Mr. Pau and Mr. Huang as independent non-executive Directors; (ii) the removal of Ms. Che, Mr. Liu and Mr. Man, all of whom are executive Directors, as Directors; (iii) the removal of Mr. Chan and Mr. Bai, both of whom are independent non-executive Directors, as Directors; and (iv) removal of any additional Directors appointed by the Board from 17 February 2017 to the date of the Extraordinary General Meeting as Directors.

LETTER FROM THE BOARD

After the deposit of the Requisition, Mr. Liu Ping has resigned as an independent non-executive Director, a member of the audit committee, a member of the nomination committee and chairman of the remuneration committee of the Company with effect from 10 March 2017. Following the resignation of Mr. Liu Ping, the Company has four (4) independent non-executive Directors, the number of which fell below one-third ($\frac{1}{3}$) of the Board members as required under Rule 5.05A of the GEM Listing Rules. The Board will appoint an appropriate person to fill the vacancy as soon as possible in order to comply with the requirements of the GEM Listing Rules. Further announcement will be made by the Company in relation to such appointment as and when appropriate.

At the instruction of the Board, the legal adviser to the Company had issued a letter dated 24 February 2017 to the Requisitionist to request for clarification on and supporting documents relating to the biographical and other details of the Nominated Directors enclosed with the Requisition by 2 March 2017. The Company did not receive any response from the Requisitionist by such date and the legal adviser to the Company had issued a second letter dated 3 March 2017 to the Requisitionist to follow up on the aforementioned request and requested for such clarification and provision of supporting documents to be provided by 8 March 2017. The Company did not receive any response from the Requisitionist by 8 March 2017.

Accordingly, the Company published an announcement dated 9 March 2017 to update its Shareholders in relation to the Requisition, in which it was disclosed that based on the biographical details of the Nominated Directors enclosed with the Requisition and certain public information available to the Board, the Company took the view that the particulars of the Nominated Directors did not appear to be fully in compliance with Rules 5.02 and 17.50(2) of the GEM Listing Rules.

On 16 March 2017, the legal adviser to the Company issued a third letter to the Requisitionist informing him that for the purpose of finalizing the circular, the request in its first letter dated 24 February 2017 should be fully addressed on or before noon, 20 March 2017, failing which any information provided thereafter will not be considered.

It was not until after 5 p.m. on Friday, 17 March 2017, that is, three (3) weeks after the first letter that the legal adviser to the Company received a letter dated 17 March 2017 from the solicitors acting for the Requisitionist (the “**17 March Letter**”) which made reference to the Requisition and provided the amended biographical details of each of the Nominated Directors, which are reproduced in Appendix I to this circular, together with the following documents:

- (i) the nomination letters signed by the Requisitionist in respect of the nomination of each of the Nominated Directors;
- (ii) the consent to nomination signed by each of the Nominated Directors;
- (iii) copies of the supporting documents purporting to support the information set out in the respective amended biographical details of each of the Nominated Directors;

LETTER FROM THE BOARD

- (iv) the confirmations of independency signed by each of Mr. Wong, Mr. Pau and Mr. Huang (the “**Independency Confirmation(s)**”); and
- (v) letters issued to the Company from and signed by each of the Nominated Directors in which confirmations and/or negative statements (as the case may be) were provided in respect of their respective personal particulars, directorships in listed companies in the past three (3) years and the Group, interests in the Shares within the meaning of Part XV of the SFO respective, relationships with any directors and senior management, substantial shareholders or controlling shareholders of the Group, and it was confirmed by each of the Nominated Director that there is no other matter regarding his appointment as a Director that needs to be brought to the attention of the Shareholders and there is no information to be disclosed by him pursuant to Rule 17.50(2) of the GEM Listing Rules in relation to the said appointment.

The Requisitionist’s change of stance regarding the role for which Mr. Wong is being nominated and independency issues due to Mr. Wong’s shareholding in the Company

In the biographical details of the Nominated Directors enclosed with the Requisition, Mr. Wong was stated to be nominated as a non-executive Director.

However, in the 17 March Letter, the solicitors acting for the Requisitionist indicated that Mr. Wong is to be nominated as an independent non-executive Director. The same letter was enclosed with among other things the Independency Confirmation and a letter dated 17 March 2017 confirming certain personal particulars, both of which also indicate that Mr. Wong is to be nominated as an independent non-executive Director. It therefore appears that there has been a change of stance by the Requisitionist regarding the role for which Mr. Wong is being nominated.

Notwithstanding the clear indication following the 17 March Letter that Mr. Wong is being nominated as an independent non-executive Director, the two confirmations enclosed with the 17 March Letter also clearly indicate that Mr. Wong was interested in 21,685,000 Shares, which represents approximately 2.75% of the total issued share capital of the Company as at the Latest Practicable Date. Rule 5.09(1) of the GEM Listing Rules states that the independence of a non-executive director is more likely to be questioned if the director holds more than 1% of the number of issued shares of the issuer. Given (i) the initial stance of the Requisition to nominate Mr. Wong as a non-executive Director, (ii) the subsequent change of stance to nominate Mr. Wong as an independent non-executive Director, and (iii) Mr. Wong’s shareholding in the Company, the Board is of the view that the responsibility is on Mr. Wong to provide full and proper explanation on any independence issue that may arise as a result of his shareholding in the Company, which explanation cannot be found in any of the documents enclosed with the 17 March Letter. In the circumstances, the Board considers it prudent to proceed with Mr. Wong’s nomination as a non-executive Director in accordance with the Requisition deposited on 17 February 2017.

LETTER FROM THE BOARD

Particulars of the Nominated Directors proposed to be elected at the Extraordinary General Meeting as provided by the solicitors acting for the Requisitionist are reproduced in Appendix I to this circular.

The Board notes that the Company is obliged to publish details of the Nominated Directors in accordance with Rule 17.50(2) of the GEM Listing Rules and that every Nominated Director “must satisfy the Stock Exchange that he has the character, experience and integrity and is able to demonstrate a standard of competence commensurate with his position as a director of a listed issuer” pursuant to Rule 5.02 of the GEM Listing Rules.

Based on the reports of the litigation and bankruptcy searches (“**HK Search Reports**”) that the Board had instructed to be conducted on each of the Nominated Directors against the public records in Hong Kong, persons with the same names as three of the Nominated Directors, namely, Mr. Wong, Mr. Pau and Mr. Huang, are listed as a defendant in certain civil and/or criminal litigation and bankruptcy orders were made against persons with the same names as two of the Nominated Directors, namely Mr. Pau and Mr. Huang. Based on the reports of the civil litigation and criminal record searches (collectively with the HK Search Reports, referred to as the “**Search Reports**”) that the Board had instructed to be conducted on each of the Nominated Directors against the public records in the PRC, one of the Nominated Directors, Mr. Zheng, is listed as a defendant in an enforcement case.

Accordingly, for the purpose of fulfilling the requirements under Rules 5.02 and 17.50(2) of the GEM Listing Rules, the Board has sought to clarify with the Requisitionist the biographical and other details of the Nominated Directors enclosed with the Requisition, including but not limited to clarification and confirmation on whether the persons listed in the Search Reports as stated above are the same three Nominated Directors being proposed by the Requisitionist, and the independency of the Nominated Directors being proposed to become the independent non-executive Directors in accordance with Rule 5.09 of the GEM Listing Rules. As disclosed in the section headed “The Requisition and information provided in connection therewith”, the Board has made repeated requests to the Requisitionist for supporting documents relating to the biographical details of the Nominated Directors enclosed with the Requisition. The legal adviser to the Company only received the 17 March Letter from the solicitors acting for the Requisitionist in which the following documents, among other things, were enclosed:

- (i) the letter dated 15 March 2017 signed by Mr. Pau to the Company was appended to the 17 March Letter, in which it was stated that “Mr. Pau confirms that there was a bankruptcy order made against him by the Court of First Instance of Hong Kong which was annulled with the related bankruptcy petition dismissed pursuant to a sealed order in the High Court bankruptcy proceedings dated 8 February 2012”;
- (ii) the letter dated 15 March 2017 signed by Mr. Huang to the Company was appended to the 17 March Letter, in which it was stated that Mr. Huang confirms that he is not the persons listed as a defendant in certain criminal litigations, as referred to in the HK Search Reports, and he is not the person listed as the debtor in certain bankruptcy orders, as referred to in the HK Search Reports;

LETTER FROM THE BOARD

- (iii) the Independency Confirmations; and
- (iv) copies of the respective supporting documents purporting to support the information set out in the amended biographical details of each of the Nominated Directors provided in the 17 March Letter.

Based on the biographical details of the Nominated Directors enclosed with the Requisition and the above mentioned Search Reports, the Board takes the view that the particulars, character, experience and integrity of the Nominated Directors do not appear to be in full compliance with Rules 5.02 and 17.50(2) of the GEM Listing Rules. Please refer to the section headed “Summary of documents provided by the Requisitionist against Rule 17.50(2) of the GEM Listing Rules” for further details regarding compliance or otherwise with Rule 17.50(2) of the GEM Listing Rules.

In addition, the Board is unable to verify the identity of the persons whose signatures appear on certain documents enclosed with the 17 March Letter or verify the authenticity of such copies of supporting information provided. Accordingly, the Board is unable to verify the particulars of the Nominated Directors stated in Appendix I to this circular.

LETTER FROM THE BOARD

SUMMARY OF DOCUMENTS PROVIDED BY THE REQUISITIONIST AGAINST RULE 17.50(2) OF THE GEM LISTING RULES

Based on the amended biographical details of the Nominated Directors provided by the solicitors acting for the Requisitionist in the 17 March Letter and the documents enclosed therewith and the above mentioned Search Reports, a summary table is set out below to indicate whether each paragraph under Rule 17.50(2) of the GEM Listing Rules is complied with or addressed by way of a negative statement provided (as the case may be):

Rule 17.50(2) of the GEM Listing Rules	Mr. Zheng	Mr. Wei	Mr. Wong	Mr. Pau	Mr. Huang
(a)	✓	✓	✓	✓	✓
(b)	N	N	N	N	N
(c)	N	N	N	N	N
(d)	✓	✓	✓	✓	✓
(e)	N	N	N	N	N
(f)	N	N	N	N	N
(g)	✗	✗	✗	✗	✗
(h)	✗	✗	✗	✗	✗
(i)	✗	✗	✗	✗ (Note 1)	✗ (Note 2)
(j)	✗	✗	✗	✗	✗
(k)	✗	✗	✗	✗	✗
(l)	✗	✗	✗	✗	✗
(m)	✗	✗	✗	✗	✗
(n)	✗	✗	✗	✗	✗
(o)	✗	✗	✗	✗	✗
(p)	✗	✗	✗	✗	✗
(q)	✗	✗	✗	✗	✗
(r)	✗	✗	✗	✗	✗
(s)	✗	✗	✗	✗	✗
(t)	✗	✗	✗	✗	✗
(u)	✗	✗	✗	✗	✗
(v)	✗	✗	✗	✗	✗ (Note 2)
(w)	N	N	N	N	N
(x)	N	N	N	N	N

Legend:

✓: complied with

✗: not complied with or no negative statement or information was provided to the Company

N: negative statement provided to the Company by the relevant Nominated Director

Notes:

1. A copy of the letter dated 15 March 2017 signed by Mr. Pau to the Company was appended to the 17 March Letter, in which it was stated that “Mr. Pau confirms that there was a bankruptcy order made against him by the Court of First Instance of Hong Kong which was annulled with the related bankruptcy petition dismissed pursuant to a sealed order in the High Court bankruptcy proceedings dated 8 February 2012”. However, in the said letter dated 15 March 2017, Mr. Pau did not provide a negative statement confirming whether he has at any time been adjudged bankrupt or insolvent.

LETTER FROM THE BOARD

2. A copy of the letter dated 15 March 2017 signed by Mr. Huang to the Company was appended to the 17 March Letter, in which it was stated that Mr. Huang confirms that he is not the persons listed as a defendant in certain criminal litigations, as referred to in the HK Search Reports, and he is not the person listed as the debtor in certain bankruptcy orders, as referred to in the HK Search Reports. However, in the said letter dated 15 March 2017, Mr. Huang did not provide a negative statement confirming whether he has at any time been adjudged bankrupt or insolvent or whether he is a defendant in any current criminal proceeding.

Reference is made to the section headed “Appointment of Directors proposed by Requisitionist”. The Board wishes to reiterate that it is unable to verify the identity of the persons whose signatures appear on certain documents enclosed with the 17 March Letter or verify the authenticity of such copies of supporting information provided.

APPOINTMENT OF DIRECTORS PROPOSED BY THE REQUISITIONIST

Pursuant to the Requisition, the Requisitionist requested that ordinary resolutions be put forward at the Extraordinary General Meeting to appoint the following Directors, in accordance with Article 111 of the Articles, with immediate effect:

- (i) Mr. Zheng as an executive Director;
- (ii) Mr. Wei as an executive Director;
- (iii) Mr. Wong as a non-executive Director;
- (iv) Mr. Pau as an independent non-executive Director; and
- (v) Mr. Huang as an independent non-executive Director.

REMOVAL OF DIRECTORS PROPOSED BY THE REQUISITIONIST

Pursuant to the Requisition, the Requisitionist requested that ordinary resolutions be put forward at the Extraordinary General Meeting to remove the following Directors, in accordance with Article 114 of the Articles, with immediate effect:

- (i) Ms. Che, an executive Director;
- (ii) Mr. Liu, an executive Director;
- (iii) Mr. Man, an executive Director;
- (iv) Mr. Chan, an independent non-executive Director;
- (v) Mr. Bai, an independent non-executive Director; and
- (vi) any additional Directors appointed by the Board from 17 February 2017 to the date of the Extraordinary General Meeting.

LETTER FROM THE BOARD

To enable the Shareholders to accurately consider which Directors are to be considered for removal from their office as Director, the Company has set out in the proposed resolutions no. 11(i) to 11(vii) the corresponding Directors that are proposed to be removed pursuant to item (vi) above.

RE-ELECTION OF DIRECTORS

Pursuant to the Requisition, the Requisitionist requested that ordinary resolutions be put forward at the Extraordinary General Meeting, as set out in the proposed resolutions no. 11(i) to 11(vii), to remove the Directors appointed from 17 February 2017, namely Ms. Jiao Fei, Ms. Yang Nina, Mr. Li Shunmin, Mr. Guan Jincheng, Ms. Wu Chungping, Mr. Li An Sheng and Mr. Shen Xingxing.

In the circumstance where any of the proposed resolutions no.11(i) to 11(vii) are not passed at the Extraordinary General Meeting, the said Director(s) will remain on the Board.

The Company would like to afford the Shareholders a chance to consider the re-election of the said seven (7) Directors.

Accordingly, in addition to the matters set forth in the Requisition, Ms. Jiao Fei, Ms. Yang Nina, Mr. Li Shunmin, Mr. Guan Jincheng, Ms. Wu Chunping, Mr. Li An Sheng and Mr. Shen Xingxing, will retire at the Extraordinary General Meeting and, being eligible, offer themselves for re-election. For this purpose, the Board has proposed ordinary resolutions no. 12 to 18.

Since the appointment of the seven (7) Directors as set out in the announcement of the Company dated 19 February 2017 with their biographical particulars (“**Appointment Announcement**”), the Company’s attention has been drawn to certain press reports containing allegations about the biographical details of the seven (7) Directors. Having re-examined the biographical particulars in the Appointment Announcement, the Company notes that, save for immaterial matters such as:

- a typographical error in connection with the Chinese name of Ms. Jiao Fei’s employer in 2015 (which was incorrectly stated as “深圳振粵房地產有限公司” while the correct name should be “深圳市振粵地產有限公司” and the English translation for identification purpose only was incorrectly stated as “*Shenzhen Guangdong Real Estate Co. Ltd (Guangding business centre)*” while the correct translation should be Shenzhen Zhenyue Real Estate Co. Ltd.)
- the lack of reference to the marketing course attended by Ms. Yang at Xi’an University of Finance and Economics being not accredited by the Ministry of Education in the PRC

the press reports are inaccurate and unfounded. In light of the above, the changes in the biographical particulars since the Appointment Announcement, the Board’s desire to update the Shareholders regarding the remuneration situation of the seven (7) Directors and the Board’s proposal in relation to their re-election, the Company has updated the biographical particulars for the seven (7) Directors which are set out in Appendix II to this circular.

LETTER FROM THE BOARD

THE EXTRAORDINARY GENERAL MEETING

The Extraordinary General Meeting is to be held at Jasmine Room, 3/F, BEST WESTERN PLUS Hotel Hong Kong, 308, Des Voeux Road West, Hong Kong on Thursday, 13 April 2017 at 9:30 a.m. The EGM Notice is set out on pages EGM-1 to EGM-4 of this circular for the purpose of considering and, if thought fit, passing the resolutions as set out therein. The EGM Notice is also published on the Company's website at www.gf-holdings.com.

The vote of the Shareholders at the Extraordinary General Meeting will be taken by poll in accordance with rule 17.47(4) of the GEM Listing Rules and the Company will announce the results of the poll in the manner prescribed under Rule 17.47(5) of the GEM Listing Rules.

A form of proxy for use by the Shareholders at the Extraordinary General Meeting was enclosed with the EGM Notice sent to the Shareholders on 10 March 2017. Whether or not you are able to attend the Extraordinary General Meeting, you are requested to complete and return the form of proxy enclosed with the EGM Notice sent to you in accordance with the instructions printed thereon to the Company's branch share registrar and transfer office in Hong Kong, BoardRoom Share Registrars (HK) Limited at 31/F, 148 Electric Road, North Point, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for holding the Extraordinary General Meeting or any adjourned meeting thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the Extraordinary General Meeting or any adjourned meeting thereof should you so wish.

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility (save for the information set out in Appendix I to this circular, which was provided by the Requisitionist), 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 circular (save for the information set out in Appendix I to this circular, which was provided by the Requisitionist and has not been verified by the Company or the Directors) 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 circular misleading.

RECOMMENDATION

Having considered the matters set out above, the Board is of the opinion that:

- (a) (i) the appointment of the Nominated Directors; and (ii) the removal of the Directors are not in the best interests of the Company and the Shareholders and accordingly recommend all the Shareholders to vote against the relevant ordinary resolutions at the Extraordinary General Meeting; and

LETTER FROM THE BOARD

- (b) the re-election of each of Ms. Jiao Fei, Ms. Yang Nina, Mr. Li Shunmin, Mr. Guan Jincheng, Ms. Wu Chungping, Mr. Li An Sheng and Mr. Shen Xingxing as a Director is in the best interests of the Company and the Shareholders and accordingly recommend all the Shareholders to vote in favour of the relevant ordinary resolutions at the Extraordinary General Meeting.

On behalf of the Board
Glory Flame Holdings Limited
Che Xiaoyan
Chairman

The following sets out the amended biographical details of the Nominated Directors, which have been provided by the solicitors acting for the Requisitionist in the 17 March Letter. Such information has not been independently verified by the Company or the Directors. The Directors are not responsible for the accuracy and completeness of the information described herein below.

(1) Mr. Zheng WanZhang (鄭玩樟) (“Mr. Zheng”)

Mr. Zheng WanZhang (鄭玩樟), aged 46, graduated from Jinan University, is qualified as building construction management engineer. He has strong leadership and management experience in the construction, real estate investment and asset management fields. From 2003 to 2006, he was appointed as the vice president of 廣州億敦投資有限公司, being responsible for the company’s real estate development and management, investment and financing business. In 2006, he set up 廣州天智市場經營管理有限公司 and has acted as deputy general manager of the company which is engaged in real estate development and asset management.

(2) Mr. Wei Sheng (魏勝) (“Mr. Wei”)

Mr. Wei Sheng (魏勝), aged 35. Mr. Wei has worked in a number of companies and has extensive experience in management and leadership positions in construction industry and real estate investment. Since 2007, he has been the general manager of Guangzhou Branch of 廣東勝意建築有限公司. Since 2010, he established 廣東萬宇建築有限公司 and acts as the CEO and chairman of the company.

(3) Mr. Wong Chau Ping (黃秋平) (“Mr. Wong”)

Mr. Wong Chau Ping (黃秋平), aged 64, has worked in a number of enterprises. Since 1997, he has been the Chairman of 華美國際集團(香港)有限公司. Mr. Wong has management and leadership experience in the construction industry and real estate investment and has participated in a number of construction projects in the Shenzhen Special Economic Zone such as Shenzhen North Central Fork Bridge, Xinzhou overpass, Yitian overpass, Fu Rong Road, Shennan Road, agriculture and forestry road and other projects. Since 2010, he has been involved in a number of real estate projects in Shenzhen, Guangzhou and Jiangyin.

(4) Mr. Matthew Pau (鮑文光) (“Mr. Pau”)

Mr. Matthew Pau (鮑文光), aged 51, has served as an independent non-executive director, a member of the audit committee, remuneration committee and nomination committee of Chinese Food and Beverage Group Limited (華人飲食集團) (stock code: 08272HK) from 27 September 2012 to 2 February 2017. He was appointed as Chairman of the Audit Committee from 26 September 2013 to 2 February 2017 by Chinese Food and Beverage Group Limited. He graduated from Oxford University in the UK with a bachelor’s degree and a master’s degree in engineering, economics and management. He is a Hong Kong Certified Public Accountant and a UK and Wales Senior Chartered Accountant. He has over twenty-eight years of experience in finance, auditing and accounting. He also served as

a non-executive director of New Trend Lifestyle Group Plc (新天地集團) (a company listed on the London Stock Exchange Alternative Investment Market) from December 2013 to February 2015.

(5) Mr. Huang Jian (黃健) (“Mr. Huang”)

Mr. Huang Jian (黃健), aged 43, obtained a Bachelor’s degree in Audit from Sun Yat-sen University (中山大學) in 1996. He received a Master’s degree in International Accounting from the City University of Hong Kong in 2005. He is also a Certified Public Accountant in China. He is a partner of 北京永拓會計師事務所. Currently, he is an independent director of 廣東金曼集團股份有限公司 (Stock Code: 400012CH). From 2003 to 2006 he has worked in 至卓飛高綫路板(深圳)有限公司 which was a subsidiary of China HKBridge Holdings Ltd (formerly Topsearch International (Holdings) Limited) (Stock Code: 2323HK) as financial manager. From 2007 to 2015 he worked at a number of subsidiaries of Auto Italia Holdings Limited (formerly Wo Kee Hong (Holdings) Limited) (Stock Code: 0720HK), as assistant financial controller and director.

* *The English names are direct transliterations of the Chinese names inserted by the Company for identification purpose only*

APPENDIX II DETAILS OF THE DIRECTORS PROPOSED TO BE RE-ELECTED AT THE EXTRAORDINARY GENERAL MEETING

Ms. Jiao Fei (焦飛) (“Ms. Jiao”)

Ms. Jiao, aged 35, obtained her diploma in Property Management in Henan Business College (now known as Henan University of Animal Husbandry & Economy) on 1 July 2004. Ms. Jiao has about twelve (12) years of working experience in property management and business operations. She was hired by Shenzhen Zhenyue Real Estate Co. Ltd.* (深圳市振粵地產有限公司) as an investment promotion manager for eight (8) months in 2015. Ms. Jiao was appointed by the Board as an executive Director on 17 February 2017 and is currently working as an assistant to the general manager of Shenzhen City Qianhai Changsheng International Trading Company Limited* (深圳市前海長昇國際貿易有限公司) (“**SZ Qianhai**”), a wholly-owned foreign enterprise established in the PRC and a member of the Group. Save as disclosed above, Ms. Jiao has not held any other material position with the Company or any of its subsidiaries as at the Latest Practicable Date.

As at the Latest Practicable Date, save that Ms. Jiao holds 5,000,000 Shares pursuant to her exercise of the 5,000,000 share options of the Company, she is not interested or deemed to be interested in any Share, underlying Share or debenture of the Company and its associated corporations within the meaning of Part XV of the SFO.

Save as disclosed above, Ms. Jiao does not have any relationship with any Director, senior management or substantial shareholder or controlling shareholder of the Company as defined under the GEM Listing Rules, and she has not held any directorships in any listed public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three (3) years.

The remuneration of Ms. Jiao will be determined subject to the results of the EGM. If Ms. Jiao is removed or not re-elected at the EGM, then she will not receive any remuneration with respect to her service as a Director from the date of appointment up to the date of the EGM. If Ms. Jiao is re-elected at the EGM, then the Remuneration Committee will decide on the remuneration and apply the same retrospectively from the date of appointment. In relation to the amount of remuneration and the basis of determination, the Company will make an announcement as soon as practicable.

Save as disclosed above, there are no other matters that need to be brought to the attention of the Shareholders nor other information required to be disclosed pursuant to Rule 17.50(2)(h) to (v) of the GEM Listing Rules in connection with Ms. Jiao’s appointment as an executive Director.

APPENDIX II DETAILS OF THE DIRECTORS PROPOSED TO BE RE-ELECTED AT THE EXTRAORDINARY GENERAL MEETING

Ms. Yang Nina (楊妮娜) (“Ms. Yang”)

Ms. Yang, aged 32, obtained her diploma in marketing on 30 June 2008 from Xi'an University of Finance and Economics^(Note). Ms. Yang was appointed by the Board as an executive Director on 17 February 2017 and is currently working as sales manager of SZ Qianhai, a wholly-owned foreign enterprise established in the PRC and a member of the Group. Ms. Yang had worked as marketing manager in Shenzhen Amos Food Marketing Co. Ltd.. Save as disclosed above, Ms. Yang has not held any other material position with the Company or any of its subsidiaries as at the Latest Practicable Date.

As at the Latest Practicable Date, save that Ms. Yang holds 5,000,000 Shares pursuant to her exercise of the 5,000,000 share options of the Company, she is not interested or deemed to be interested in any Share, underlying Share or debenture of the Company and its associated corporations within the meaning of Part XV of the SFO.

Save as disclosed above, Ms. Yang does not have any relationship with any Director, senior management or substantial shareholder or controlling shareholder of the Company as defined in the GEM Listing Rules, and she has not held any directorships in any listed public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three (3) years.

The remuneration of Ms. Yang will be determined subject to the results of the EGM. If Ms. Yang is removed or not re-elected at the EGM, then she will not receive any remuneration with respect to her service as a Director from the date of appointment up to the date of the EGM. If Ms. Yang is re-elected at the EGM, then the Remuneration Committee will decide on the remuneration and apply the same retrospectively from the date of appointment. In relation to the amount of remuneration and the basis of determination, the Company will make an announcement as soon as practicable.

Save as disclosed above, there are no other matters that need to be brought to the attention of the Shareholders nor other information required to be disclosed pursuant to Rule 17.50(2)(h) to (v) of the GEM Listing Rules in connection with Ms. Yang's appointment as an executive Director.

Note: the marketing course attended by Ms. Yang is not accredited by the Ministry of Education in the PRC

APPENDIX II DETAILS OF THE DIRECTORS PROPOSED TO BE RE-ELECTED AT THE EXTRAORDINARY GENERAL MEETING

Mr. Li Shunmin (李順民) (“Mr. S.M. Li”)

Mr. S.M. Li, aged 32, obtained his diploma in administration and management from Anhui Economic Management Cadre College* (安徽經濟管理幹部學院) in 2 July 2004. Mr. Li was appointed as an executive Director on 17 February 2017 and appointed as the vice chairman of the Board on 10 March 2017. From 9 July 2011 Mr. Li has worked in Hefei 0551 Real Estate Network Marketing Company Limited* (合肥零五五一房產網絡營銷有限公司) (“**Hefei 0551**”) and subsequently with Anhui Wuyi Commercial Investment Group Co., Limited* (安徽省五一商業投資集團有限公司) (“**Anhui Wuyi**”), a part of Hefei 0551, as an operation officer and vice general manager. He is currently the vice chief executive officer of Anhui Wuyi and the general manager of the subsidiary of Anhui Wuyi. Save as disclosed above, Mr. S.M. Li has not held any other material position with the Company or any of its subsidiaries as at the Latest Practicable Date.

As at the Latest Practicable Date, save that Mr. S.M. Li holds 9,780,000 Shares as beneficial owner, he is not interested or deemed to be interested in any other Share, underlying Share or debenture of the Company and its associated corporations within the meaning of Part XV of the SFO.

Save as disclosed above, Mr. S.M. Li does not have any relationship with any Director, senior management or substantial shareholder or controlling shareholder of the Company as defined in the GEM Listing Rules, and he has not held any directorships in any listed public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three (3) years.

The remuneration of Mr. Li will be determined subject to the results of the EGM. If Mr. Li is removed or not re-elected at the EGM, then he will not receive any remuneration with respect to his service as a Director from the date of appointment up to the date of the EGM. If Mr. Li is re-elected at the EGM, then the Remuneration Committee will decide on the remuneration and apply the same retrospectively from the date of appointment. In relation to the amount of remuneration and the basis of determination, the Company will make an announcement as soon as practicable.

Save as disclosed above, there are no other matters that need to be brought to the attention of the Shareholders nor other information required to be disclosed pursuant to Rule 17.50(2)(h) to (v) of the GEM Listing Rules in connection with Mr. S.M. Li’s appointment as an executive Director.

APPENDIX II DETAILS OF THE DIRECTORS PROPOSED TO BE RE-ELECTED AT THE EXTRAORDINARY GENERAL MEETING

Mr. Guan Jincheng (管錦程) (“Mr. Guan”)

Mr. Guan, aged 43, obtained his master degree in electronic information engineering in HeFei University of Technology in 20 June 2005. Mr. Guan was appointed by the Board as an executive Director on 17 February 2017. Mr. Guan has not held any other material position with the Company or any of its subsidiaries as at the Latest Practicable Date.

As at the date of this announcement, Mr. Guan is not interested or deemed to be interested in any Share, underlying Share or debenture of the Company and its associated corporations within the meaning of Part XV of the SFO.

Save as disclosed above, Mr. Guan does not have any relationship with any Director, senior management or substantial shareholder or controlling shareholder of the Company as defined in the GEM Listing Rules and he has not held any directorships in any listed public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three (3) years.

The remuneration of Mr. Guan will be determined subject to the results of the EGM. If Mr. Guan is removed or not re-elected at the EGM, then he will not receive any remuneration with respect to his service as a Director from the date of appointment up to the date of the EGM. If Mr. Guan is re-elected at the EGM, then the Remuneration Committee will decide on the remuneration and apply the same retrospectively from the date of appointment. In relation to the amount of remuneration and the basis of determination, the Company will make an announcement as soon as practicable.

Save as disclosed above, there are no other matters that need to be brought to the attention of the Shareholders nor other information required to be disclosed pursuant to Rule 17.50(2)(h) to (v) of the GEM Listing Rules in connection with Mr. Guan’s appointment as an executive Director.

Ms. Wu Chunping (吳純平) (“Ms. Wu”)

Ms. Wu, aged 35, obtained her diploma in commercial English from Tongling University on 1 July 2002. Ms. Wu is the founder and the legal representative of Hefei ThinkPower Tech Co., Ltd. Ms. Wu was appointed by the Board as a non-executive Director on 17 February 2017. Save as disclosed above, Ms. Wu has not held any other material position with the Company or any of its subsidiaries as at the Latest Practicable Date.

As at the Latest Practicable Date, Ms. Wu is not interested or deemed to be interested in any Share, underlying Share or debenture of the Company and its associated corporations within the meaning of Part XV of the SFO.

Save as disclosed above, Ms. Wu does not have any relationship with any Director, senior management or substantial shareholder or controlling shareholder of the Company as defined in the GEM Listing Rules, and she has not held any directorships in any listed public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three (3) years.

APPENDIX II DETAILS OF THE DIRECTORS PROPOSED TO BE RE-ELECTED AT THE EXTRAORDINARY GENERAL MEETING

The remuneration of Ms. Wu will be determined subject to the results of the EGM. If Ms. Wu is removed or not re-elected at the EGM, then she will not receive any remuneration with respect to her service as a Director from the date of appointment up to the date of the EGM. If Ms. Wu is re-elected at the EGM, then the Remuneration Committee will decide on the remuneration and apply the same retrospectively from the date of appointment. In relation to the amount of remuneration and the basis of determination, the Company will make an announcement as soon as practicable.

Save as disclosed above, there are no other matters that need to be brought to the attention of the Shareholders nor other information required to be disclosed pursuant to Rule 17.50(2)(h) to (v) of the GEM Listing Rules in connection with Ms. Wu's appointment as a non-executive Director.

Mr. Li An Sheng* (李安生) (“Mr. A.S. Li”)

Mr. A.S. Li, aged 41, obtained his postgraduate certificate in accounting from Anhui Finance and Trade College* (安徽財貿學院) on 1 July 2003. He has worked as a director of Anhui Huiyuancheng Electrical Technology Co., a listed company in the PRC, since 7 November 2016. Mr. A.S. Li was appointed by the Board as an independent non-executive Director on 17 February 2017. Save as disclosed above, Mr. A.S. Li has not held any other material position with the Company or any of its subsidiaries as at the Latest Practicable Date.

As at the Latest Practicable Date, Mr. A.S. Li is not interested or deemed to be interested in any Share, underlying Share or debenture of the Company and its associated corporations within the meaning of Part XV of the SFO.

Save as disclosed above, Mr. A.S. Li does not have any relationship with any Director, senior management or substantial shareholder or controlling shareholder of the Company as defined in the GEM Listing Rules and he has not held any directorships in any listed public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three (3) years.

The remuneration of Mr. Li will be determined subject to the results of the EGM. If Mr. Li is removed or not re-elected at the EGM, then he will not receive any remuneration with respect to his service as a Director from the date of appointment up to the date of the EGM. If Mr. Li is re-elected at the EGM, then the Remuneration Committee will decide on the remuneration and apply the same retrospectively from the date of appointment. In relation to the amount of remuneration and the basis of determination, the Company will make an announcement as soon as practicable.

Save as disclosed above, there are no other matters that need to be brought to the attention of the Shareholders nor other information required to be disclosed pursuant to Rule 17.50(2)(h) to (v) of the GEM Listing Rules in connection with Mr. A.S. Li's appointment as an independent non-executive Director.

APPENDIX II DETAILS OF THE DIRECTORS PROPOSED TO BE RE-ELECTED AT THE EXTRAORDINARY GENERAL MEETING

Mr. Shen Xingxing (沈星星) (“Mr. Shen”)

Mr. Shen, aged 32, is experienced in participating in initial public offering. Mr. Shen was appointed by the Board as an independent non-executive Director on 17 February 2017. Save as disclosed above, Mr. Shen has not held any other material position with the Company or any of its subsidiaries as at the Latest Practicable Date.

As at the Latest Practicable Date, Mr. Shen was not interested or deemed to be interested in any Share, underlying Share or debenture of the Company and its associated corporations within the meaning of Part XV of the SFO.

Save as disclosed above, Mr. Shen does not have any relationship with any Director, senior management or substantial shareholder or controlling shareholder of the Company as defined in the Listing Rules on the Stock Exchange, and he has not held any directorships in any listed public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three (3) years.

The remuneration of Mr. Shen will be determined subject to the results of the EGM. If Mr. Shen is removed or not re-elected at the EGM, then he will not receive any remuneration with respect to his service as a Director from the date of appointment up to the date of the EGM. If Mr. Shen is re-elected at the EGM, then the Remuneration Committee will decide on the remuneration and apply the same retrospectively from the date of appointment. In relation to the amount of remuneration and the basis of determination, the Company will make an announcement as soon as practicable.

Save as disclosed above, there are no other matters that need to be brought to the attention of the Shareholders nor other information required to be disclosed pursuant to Rule 17.50(2)(h) to (v) of the GEM Listing Rules in connection with Mr. Shen’s appointment as an independent non-executive Director.

** The English names are direct transliterations of the Chinese names inserted by the Company for identification purpose only*

NOTICE OF EXTRAORDINARY GENERAL MEETING

GLORY FLAME HOLDINGS LIMITED

朝威控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 8059)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the “EGM”) of Glory Flame Holdings Limited (the “Company”) will be held at Jasmine Room, 3/F, BEST WESTERN PLUS Hotel Hong Kong, 308, Des Voeux Road West, Hong Kong on Thursday, 13 April 2017 at 9:30 a.m. to consider and, if thought fit, pass the following resolutions as ordinary resolutions:

ORDINARY RESOLUTIONS

(Based on the proposed resolutions set out in the Requisition dated 17 February 2017 signed by Mr. Wu Xiongbín and using the same numberings thereof)

“THAT:

1. Mr. Zheng WanZhang be appointed as an executive director of the Company with immediate effect;
2. Mr. Wei Sheng be appointed as an executive director of the Company with immediate effect;
3. Mr. Wong Chau Ping be appointed as a non-executive director of the Company with immediate effect;
4. Mr. Matthew Pau be appointed as an independent non-executive director of the Company with immediate effect;
5. Mr. Huang Jian be appointed as an independent non-executive director of the Company with immediate effect;
6. Ms. Che Xiaoyan be removed as a director of the Company with immediate effect;
7. Mr. Liu Zhong Ping be removed as a director of the Company with immediate effect;
8. Mr. Man Wai Lun be removed as a director of the Company with immediate effect;
9. Mr. Chan Kam Wah be removed as a director of the Company with immediate effect;

NOTICE OF EXTRAORDINARY GENERAL MEETING

10. Mr. Bai Hong Lai be removed as a director of the Company with immediate effect;
- 11(i). Ms. Jiao Fei be removed as a director of the Company with immediate effect;
- 11(ii). Ms. Yang Nina be removed as a director of the Company with immediate effect;
- 11(iii). Mr. Li Shunmin be removed as a director of the Company with immediate effect;
- 11(iv). Mr. Guan Jincheng be removed as a director of the Company with immediate effect;
- 11(v). Ms. Wu Chungping be removed as a director of the Company with immediate effect;
- 11(vi). Mr. Li An Sheng be removed as a director of the Company with immediate effect; and
- 11(vii). Mr. Shen Xingxing be removed as a director of the Company with immediate effect.”

ORDINARY RESOLUTIONS

(Proposed by the board of directors of the Company)

“THAT:

12. conditional upon Resolution no. 11(i) set out above not being passed, Ms. Jiao Fei be re-elected as executive director of the Company with immediate effect;
13. conditional upon Resolution no. 11(ii) set out above not being passed, Ms. Yang Nina be re-elected as executive director of the Company with immediate effect;
14. conditional upon Resolution no. 11(iii) set out above not being passed, Mr. Li Shunmin be re-elected as executive director of the Company with immediate effect;
15. conditional upon Resolution no. 11(iv) set out above not being passed, Mr. Guan Jincheng be re-elected as executive director of the Company with immediate effect;
16. conditional upon Resolution no. 11(v) set out above not being passed, Ms. Wu Chungping be re-elected as non-executive director of the Company with immediate effect;

NOTICE OF EXTRAORDINARY GENERAL MEETING

17. conditional upon Resolution no. 11(vi) set out above not being passed, Mr. Li An Sheng be re-elected as independent non-executive director of the Company with immediate effect; and
18. conditional upon Resolution no. 11(vii) set out above not being passed, Mr. Shen Xingxing be re-elected as independent non-executive director of the Company with immediate effect.”

On behalf of the Board
Glory Flame Holdings Limited
Che Xiaoyan
Chairman

10 March 2017

Notes:

1. A proxy form (the “**Proxy Form**”) containing the resolutions mentioned above is enclosed herewith.
2. Any member of the Company entitled to attend and vote at the meeting convened by the above notice shall be entitled to appoint another person as his proxy to attend and, subject to the provisions of the articles of association of the Company, vote in his stead. A member who is the holder of two (2) or more shares may appoint more than one (1) proxy to represent him and vote on his behalf at a general meeting of the Company or at a class meeting. A proxy need not be a member. In addition, a proxy or proxies representing either a member who is an individual or a member which is a corporation shall be entitled to exercise the same powers on behalf of the member which he or they represent as such member could exercise.
3. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his/her attorney duly authorised in writing or, if the appointer is a corporation, either executed under its common seal or under the hand of any officer, attorney or other person duly authorised to sign the same.
4. Completion and return of the Proxy Form will not preclude a shareholder from attending the meeting and voting in person at the EGM or any of its adjourned meeting thereof if he/she/it so desires. If a shareholder attends the meeting after having deposited the Proxy Form, his/her/its Proxy Form shall be deemed to be revoked.
5. To be valid, the Proxy Form together with a power of attorney or other authority, if any, under which it is signed or a notarially certified copy of such power or authority must be deposited at the share registrar and transfer office of the Company in Hong Kong, BoardRoom Share Registrars (HK) Limited at 31/F, 148 Electric Road, North Point, Hong Kong not later than 48 hours before the time of the meeting or any adjourned meeting.
6. Where there are joint registered holders of any share, any one of such persons may vote at the EGM, either personal or by proxy, in respect of such share as if he were solely entitled thereto; but if more than one (1) of such joint holders be present at the meeting, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for the purpose seniority shall be determined by the order in which name stand in the register of members in respect of the joint holdings.
7. Any voting at the EGM or any adjournment thereof should be taken by poll.
8. If typhoon signal no. 8 or above, or a “black” rainstorm warning is in effect any time after 7:30 a.m. on the date of the EGM, the meeting will be postponed. The Company will post an announcement on the website of the Company at www.drillcut.com.hk and on the HKExnews website of the Stock Exchange at www.hkexnews.hk to notify Shareholders of the date, time and place of the rescheduled meeting.

NOTICE OF EXTRAORDINARY GENERAL MEETING

As at the date of this notice, the executive Directors of the Company are Ms. Che Xiaoyan, Mr. Liu Zhong Ping, Mr. Man Wai Lun, Ms. Jiao Fei, Ms. Yang Nina, Mr. Li Shunmin and Mr. Guan Jincheng; the non-executive Directors are Mr. Zheng Si Rong, Mr. Wong Tik Tung (suspended) and Ms. Wu Chunping; and the independent non-executive Directors are Mr. Chan Kam Wah, Mr. Bai Honghai, Mr. Li An Sheng and Mr. Shen Xingxing.

This notice, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (“GEM”) 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 notice 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 notice misleading.

This notice will remain on the “Latest Company Announcements” page of the GEM website at <http://www.hkgem.com> for at least 7 days from the date of its publication. This notice will also be published on the Company’s website at www.drillcut.com.hk.