GLORY FLAME HOLDINGS LIMITED
朝 威 控 股 有 限 公 司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 8059)

PROFIT WARNING

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

The board (the "**Board**") of directors (the "**Directors**") of the Company would like to inform the shareholders of the Company (the "**Shareholders**") and potential investors that, based on information currently available to the Board and a preliminary review and assessment of the latest unaudited consolidated management accounts of the Group, the Group is expected to show a significant loss attributable to owners of the Company for the year ended 31 December 2018 as compared to an audited consolidated profit of HK$18.1 million attributable to owners of the Company for the year ended 31 December 2017.

The loss was primarily attributable to:

(i) a loss of approximately HK$35.7 million from sales of investment in securities for the year ended 31 December 2018 as the Group decided to sell all its investment in securities in Hong Kong due to significant market volatility in the second half of 2018, while there was a gain of HK$51.4 million from fair value change and sales of investment in securities listed for the year ended 31 December 2017;

(ii) an impairment loss of HK$47.8 million on assets with connection to the agricultural business, resulting from the discontinuance of the marketing and production plan for ecological LED cultivation cabinet system.

(iii) an impairment loss of approximately HK$46.7 million on trade receivable due from customers in Hong Kong and China, as a result of the worsened credit quality of the customers of the Group amid the global economic downturn.

The Company has yet to finalise the final results of the Group for the year ended 31 December 2018. The information contained in this announcement is only based on the preliminary assessment of the unaudited consolidated management accounts of the Group for the year ended 31 December 2018 which may be subject to adjustments upon the finalization of the review by the auditor of the Company. The final results of the Group for the year ended 31 December 2018 will be published by the Company within the timeframe stipulated under the Listing Rules.

Shareholders and potential investors should exercise caution when dealing in the shares of the Company.

By order of the Board
Glory Flame Holdings Limited
Zhu Zhou
Chairman

Hong Kong, 22 March 2019

As at the date of this announcement, the executive Directors are Mr. Zhu Zhou and Ms. Jiao Fei; and the independent non-executive Directors are Mr. Chan Kam Wah, Mr. Liu Yingjie and Mr. Cao Hongmin.

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 Company Announcements" page of the website of the GEM of The Stock Exchange of Hong Kong Limited at www.hkgem.com for at least seven days from the date of publication. This announcement will also be published on the website of the Company at www.gf-holdings.com.