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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)

DISCLOSEABLE TRANSACTION IN RELATION TO THE TENANCY AGREEMENT

THE TENANCY AGREEMENT

On 30 October 2026, the Lessee (an indirect subsidiary of the Company) and the Lessor entered into the Tenancy Agreement in relation to the lease of the Premises for a fixed term of 14 months commencing on 1 November 2026 and ending on 31 December 2027 (both days inclusive) for the operation of one of the Group's motor vehicle retail business.

GEM LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined in the GEM Listing Rules) in respect of the aggregated value of the right-of-use assets of the Premises under the Tenancy Agreement exceed 5% but are less than 25%, the transaction contemplated thereunder constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 19 of the GEM Listing Rules.

The Board announces the execution of the Tenancy Agreement with the following particulars:

THE TENANCY AGREEMENT

Date:	1 November 2026
Lessor:	Nice Choice Development Limited
Lessee：	Joint Power Motors Company Limited
Premises：	Workshop Nos B3 to B7 on the Ground Floor of Block B of Proficient Industrial Centre, No. 6 Wang Kwun Road, Kowloon, Hong Kong.
Usage：	Retail Business
Lease term：	14 Months commencing on 1 November 2026 and ending on 31 December 2027 (both days inclusive)
The aggregate value of consideration payable:	HK$320,000 being the monthly basic rental for all the Premises, subject to the rent-free periods below (excluding government rent, rates, management fee and air-conditioning charges). The total basic rent payable over the 14-month term, after deducting the rent-free periods, is HK$[3,520,000], payable as below:- January 2027: HK$80,000; February 2027: HK$240,000; From March to December 2027: HK$320,000x10 = 3,200,000 The Lessee is responsible for rent and all periodic charges and expenses for the maintenance upkeep, lighting, cleaning, operation and servicing of the property during the term.
Rent-free period:	Room B3: 1 November 2026 to 31 December 2026. Room B4: 1 November 2026 to 31 December 2026. Room B5: 1 November 2026 to 30 November 2026. Room B6: 1 November 2026 to 30 November 2026. Room B7: Nil
Deposit:	HK$960,000 payable upon the execution of the Tenancy Agreement.

The monthly rent of HK$320,000 under the Tenancy Agreement was determined after arm's length negotiations between the parties with reference to the prevailing market rental levels of comparable industrial/workshop premises in the vicinity of the Premises, taking into account various factors, including (i) the location of the Premises at Workshop Nos. B3 to B7 on the Ground Floor of Block B of Proficient Industrial Centre, No. 6 Wang Kwun Road, Kowloon, Hong Kong; (ii) the aggregate gross floor area and configuration of the Premises; (iii) the suitability of the Premises for use as vehicle showroom, workshop, storage and related operations of the Group's motor vehicle retail business; and (iv) the rental levels of comparable properties in the surrounding area. Based on the above, the Directors consider that the rent payable under the Tenancy Agreement is on normal commercial terms, fair and reasonable and in the interests of the Company and its shareholders as a whole.

The payment of the rent will be funded by the internal resources of the Group.

THE RIGHT-OF-USE ASSET

The aggregate value (unaudited) of the right-of-use asset to be recognised by the Group under the Tenancy Agreement is approximately HK$4,480,000 which is the present value of lease payments throughout the lease term under the Tenancy Agreement, discounted using the incremental borrowing rate and adjustment to fair value at initial recognition of refundable rental deposit and provision for reinstatement costs in accordance with HKFRS 16. Incremental borrowing rate of the lease liability is determined with reference to the prevailing interest rate of the Group's external borrowings.

INFORMATION ON THE PARTIES

The Lessor

Nice Choice Development Limited is a company with limited liability incorporated in Hong Kong and is principally engaged in property investment activities. It is directly held by three individuals.

To the best of the knowledge, information and belief of the Directors and having made all reasonable enquiries, the Lessor and its ultimate beneficial owners are Independent Third Parties.

The Lessee

The Lessee is a company incorporated in Hong Kong with limited liability and an indirect wholly owned subsidiary of the Company. The Lessee is principally engaged in the business of retail business of motor vehicles.

REASONS FOR AND BENEFITS OF THE TENANCY AGREEMENT

The Company is principally engaged in the provision of concrete demolition services and the manufacturing and trading of prefabricated construction components. To broaden its revenue streams and enhance long-term growth prospects, the Group is actively exploring opportunities to diversify its business portfolio through expansion into the motor vehicle business.

As part of this strategic initiative, the Group has established a subsidiary in Hong Kong to engage in the retail business of motor vehicles. The business model involves sourcing motor vehicles directly from manufacturers, authorised producers or authorised distributors, and selling them to end customers in the Hong Kong market. The Board believes that the expansion into the motor vehicle retail business will enable the Group to diversify its source of income, strengthen its market presence and create additional value for shareholders in the long term.

As the Group expands into the motor vehicle retail business, it is necessary for the Group to secure suitable premises for business operations and vehicle storage. Accordingly, the Group has entered into a tenancy agreement in respect of premises to be used for the operation of the motor vehicle retail business, including the display, storage and sale of motor vehicles. The Directors consider that the entering into of the tenancy agreement is conducive to the development of the Group's new business segment and that the terms of the Tenancy Agreement are fair and reasonable and in the interests of the Company and its shareholders as a whole.

IMPLICATIONS UNDER THE GEM LISTING RULES

In accordance with HKFRS 16 "Leases", the Group will recognise a right-of-use asset in its consolidated statement of financial position in connection with the lease of the Premises. Accordingly, the transaction contemplated under the Tenancy Agreement will be regarded as an acquisition of

assets by the Group for the purposes of the GEM Listing Rules. Pursuant to HKFRS 16, the value of the right-of-use asset is measured with reference to the present value of the lease payments payable under the Tenancy Agreement. Given that one or more of the applicable percentage ratios (as defined in the GEM Listing Rules) in respect of the right-of-use asset recognised by the Group under the Tenancy Agreement exceed 5% but are less than 25%, the transaction contemplated under the Tenancy Agreement constitutes a discloseable transaction of the Company and is therefore subject to the reporting and announcement requirements under Chapter 19 of the GEM Listing Rules.

TERMS USED IN THIS ANNOUNCEMENT

In this announcement, unless the context otherwise requires, capitalized terms used shall have the following meanings:-

"Board"	the board of Directors
"Company"	Glory Flame Holdings Limited, a company incorporated in the Cayman Islands with limited liability whose Shares are listed on GEM (stock code: 8059);
"Director(s)"	the director(s) of the Company;
"GEM"	the GEM of the Stock Exchange
"GEM Listing Rules"	the Rules Governing the Listing of Securities on GEM
"Group"	the Company and its subsidiaries from time to time;
"HK$"	Hong Kong Dollar, the lawful currency of Hong Kong
"HKFRS"	Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants
"Hong Kong"	Hong Kong Special Administrative Region of the PRC
"Independent Third Party(ies)"	third party(ies) independent of and not connected with the Company and its connected persons (as defined in the GEM Listing Rules);
"Lessee"	Joint Power Motors Company Limited, a limited company incorporated in Hong Kong, and an indirect subsidiary of the Company
"Lessor"	Nice Choice Development Limited, a company incorporated in Hong Kong with limited liability
"Premises"	Workshop Nos B3 to B7 on the Ground Floor of Block B of Proficient Industrial Centre, No. 6 Wang Kwun Road, Kowloon, Hong Kong.
"Shareholders"	holder(s) of the ordinary shares of the Company;
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Tenancy Agreement"	the tenancy agreement dated 1 November 2026 entered into between the Lessor and the Lessee in respect of the lease of the Premises;
"%"	per cent.

By Order of the Board
Glory Flame Holdings Limited
Zhong Zhiwei
Executive Director

Hong Kong, 2 November 2026

As at the date of this announcement, the executive Director is Mr. Zhong Zhiwei; and the independent non-executive Directors are Mr. Choi Chi Wai, Ms. Chan Chu Hoi and Mr. Lam Pang.

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 is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.gf-holdings.com).