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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)**

#### **VOLUNTARY ANNOUNCEMENT COOPERATIVE INTENT AGREEMENT IN RESPECT OF THE PROPOSED INVESTMENT**

This voluntary announcement is made by Glory Flame Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) in order to keep the shareholders (the “**Shareholders**”) and potential investors of the Company informed of the latest business development of the Group.

The board (the “**Board**”) of directors (the “**Directors**”) of the Company is pleased to announce that on 22 July 2019, 湖北凱瑞百穀農業科技股份有限公司 (Hubei Bio-great Agricultural Technology Co., Ltd\*) (the “**Target Company**”), a company established in the People’s Republic of China (the “**PRC**”) with limited liability, and the Company entered into the non-legally binding cooperative intent agreement (the “**Intent Agreement**”) in relation to the proposed investment (the “**Proposed Investment**”) in the Target Company. Details of the Intent Agreement are set out below:

#### **THE INTENT AGREEMENT**

Date: 22 July 2019

Parties: (1) 湖北凱瑞百穀農業科技股份有限公司 (Hubei Bio-great Agricultural Technology Co., Ltd\*); and  
(2) Glory Flame Holdings Limited.

The Target Company is a company established in the PRC with limited liability and is principally engaged in the production, wholesale and retail of crop seeds and wholesale and retail of primary agricultural products.

As at the date of this announcement, Mr. Lai Xiaoliang, the chief executive officer of the Company, is the chairman of the Target Company. Save as disclosed above, to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Target Company and its ultimate beneficial owner(s) are third parties independent of the Company and its connected persons (as defined in the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the "**GEM Listing Rules**")).

### **The Proposed Investment**

Pursuant to the Intent Agreement, the Company intended to invest in and cooperate with the Target Company to expand high-tech seed industry projects through the development of potatoes and agricultural products cold chain, processing, logistics and distribution centers, leisure sightseeing agriculture tourism and large scale construction etc.

It is proposed that the Company shall invest in the Target Company by way of subscription of 51% or more of the registered capital of the Target Company through the Company's subsidiary.

The terms of the formal agreement to be entered into between the Company and the Target Company in relation to the Proposed Investment, including but not limited to the mode of investment and the consideration, shall be subject to further negotiations between the parties after completion of the due diligence review (the "**Due Diligence Review**") on the financial, legal and other aspects of the Target Company and its subsidiaries to be conducted by the Company.

### **Due diligence**

The Company shall instruct its representatives and advisers to conduct the Due Diligence Review. The Target Company shall use its best endeavours to provide assistance including but not limited to providing data and documents to and responding to enquiries from the Company and its representatives and advisers.

The Due Diligence Review shall be completed within three months after the date of the Intent Agreement, or such later date as the Company and the Target Company may agree (the “**Due Diligence Period**”). The Company shall provide written confirmation within seven days (or such later date as the Company and the Target Company may agree) after the Due Diligence Period as to whether or not to proceed with the Proposed Investment. Timetable and execution arrangements in respect of the Proposed Investment shall be negotiated and confirmed by the parties in the event that the Proposed Investment is to be proceeded with.

### **Reasons for and benefits of the Proposed Investment**

The Group is principally engaged in the (i) provision of construction works and building materials supply, (ii) development and sales of agricultural equipment, (iii) trading of LED products and clean coal, and (iv) provision of financial services. The Directors considered that the Proposed Investment, if materialises, represents a good opportunity for the Group to diversify its business and to maximise the return of the Shareholders.

In view of the above, the Directors considered that the terms of the Intent Agreement are fair and reasonable and the Proposed Investment is in the interests of the Company and the Shareholders as a whole.

**The Board wishes to emphasise that the Intent Agreement is not legally binding and the Proposed Investment may or may not proceed. Further announcement in respect of the Proposed Investment will be made by the Company as and when appropriate in compliance with the GEM Listing Rules. Shareholders and investors of the Company are urged to exercise caution when dealing in the shares of the Company.**

By order of the Board  
**Glory Flame Holdings Limited**  
**Liu Yingjie**  
*Chairman*

Hong Kong, 22 July 2019

*As at the date of this announcement, the executive Directors are Mr. Liu Yingjie and Ms. Zhou Jin; and the independent non-executive Directors are Mr. Cao Hongmin, Mr. Chan Chi Pan and Mr. Li Kar Fai Peter.*

*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 Stock Exchange of Hong Kong Limited’s website at [www.hkexnews.hk](http://www.hkexnews.hk) for at least seven days from the date of its posting. This announcement will also be posted on the Company’s website at [www.gf-holdings.com](http://www.gf-holdings.com).*

*\* For identification purpose only*