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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
MEMORANDUM OF UNDERSTANDING ON STRATEGIC COOPERATION

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

The board of directors of the Company (the "**Board**") is pleased to announce that, on 23 April 2018, the Company and LETS CHINA Co., Limited*（樂澤中國有限公司）("**LETS CHINA**"), entered into a memorandum of understanding on strategic cooperation (the "**MOU**"), in relation to the proposed project of strategic cooperation on development of prefabricated construction (the "**Proposed Project**").

THE MEMORANDUM OF UNDERSTANDING

Pursuant to the MOU, the Company, as the exclusive cooperation partner, will provide LETS CHINA with the scientific and professional prefabrication construction comprehensive solution proposals, which include the site selection, project design, procurement, installment, construction and other services, and will assist LETS CHINA in negotiating with the government in relation to preferential policies on prefabrication construction, whereas, LETS CHINA and/or its subsidiary(ies) will invest in relevant the real estate projects. Such strategic cooperation shall be valid for one year.

Save for clauses relating to exclusivity and confidentiality, the MOU is not legally binding.

INFORMATION ON LEZE CHINA

LETS CHINA is a company holding the entire issued share capital of LETS Holdings Group Co., Limited*（樂澤控股（集團）有限公司）("**LETS Holdings**"), which is principally engaged in the businesses of composite real estate, cultural industry and agricultural industry. As at the date of this announcement, LETS CHINA has completed a number of composite real estate projects in Anhui Hefei, Jiangxi, Guangdong and other provinces in China.

To the knowledge, information and belief of the Board after having made all reasonable enquiries, LETS CHINA, LETS Holdings and their respective ultimate beneficial owners are independent third parties who are not connected persons of the Company (as defined under the Rules Governing the Listing of Securities on GEM of The Hong Kong Stock Exchange (the "**GEM Listing Rules**")).

GENERAL

The Board wishes to emphasize that the MOU is not legally-binding and may or may not lead to entering into of the formal binding agreement in relation to the detailed cooperation for any of the Proposed Project under the framework of the MOU. Further announcement will be made in respect thereof as and when required by the GEM Listing Rules. Shareholders and potential investors of the Company are advised to exercise caution when dealing in securities of the Company.

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By order of the Board
Glory Flame Holdings Limited
Che Xiaoyan
Chairman

Hong Kong, 23 April, 2018

* *for identification purpose only*

As at the date of this announcement, the executive directors (the "Director(s)") of the Company are Ms. Che Xiaoyan, Mr. Man Wai Lun, Ms. Jiao Fei, Mr. Li Shunmin and Mr. Guan Jincheng; the non-executive Director is Mr. Lin Hongtong; and the independent non-executive Directors are Mr. Chung Kam Wah, Mr. Bai Honghai, Mr. Li An Sheng, Mr. Chen Yongquan and Mr. Chung Yuk Lun.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited 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's website at www.hkexnews.hk for 7 days from the date of its posting. This announcement will also be posted on the Company's website at www.gf-holdings.com.