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## THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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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 other registered dealer 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**, you should at once hand this circular with the enclosed form of proxy to the purchaser or the transferee or to the bank, licensed securities dealer or other agent through whom the sale was effected for transmission to the purchaser(s) or transferee(s).

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

This circular, for which the directors of Glory Flame Holdings Limited 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 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 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.

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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) PROPOSALS FOR GRANT OF  
ISSUE MANDATE AND REPURCHASE MANDATE  
(2) RETIREMENT OF DIRECTORS AND RE-ELECTION OF DIRECTORS  
(3) REFRESHMENT OF SHARE OPTION SCHEME LIMIT  
AND  
(4) NOTICE OF ANNUAL GENERAL MEETING**

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A notice convening the annual general meeting of **GLORY FLAME HOLDINGS LIMITED** to be held at 10:00 a.m. on 6 June 2019 (Thursday) at Suite 3513, Tower 6, The Gateway, Harbour City, 9 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong is set out on pages 19 to 23 of this circular.

A form of proxy is enclosed with this circular. Whether or not you intend to attend and vote at the aforesaid annual general meeting, you are requested to complete and return the enclosed form of proxy 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 2103B, 21/F, 148 Electric Road, North Point, Hong Kong as soon as possible but in any event not later than 48 hours before the time appointed for the holding of the aforesaid annual 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 at the aforesaid annual general meeting or any adjournment thereof (as the case may be) should you so desire.

*This circular will remain on the "Latest Company Announcements" page of the Stock Exchange's website at [www.hkexnews.hk](http://www.hkexnews.hk) for 7 days from the date of its posting. This circular will also be posted on the Company's website at [www.gf-holdings.com](http://www.gf-holdings.com).*

6 May 2019

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## CHARACTERISTICS OF GEM

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**GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Main Board. 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

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

“AGM”	the annual general meeting of the Company to be convened and held at 10:00 a.m. on 6 June 2019 (Thursday) at Suite 3513, Tower 6, The Gateway, Harbour City, 9 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong, the notice of which is set out in the AGM Notice
“AGM Notice”	the notice convening the AGM set out on pages 19 to 23 of this circular
“Articles of Association”	the articles of association of the Company adopted on 2 August 2014 and as amended from time to time
“Auditors”	the auditors for the time being of the Company
“Board”	the board of Directors
“close associate(s)”	has the same meaning ascribed to it under the GEM Listing Rules
“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
“core connected person(s)”	has the same meaning ascribed to it under the GEM Listing Rules
“Director(s)”	the director(s) of the Company
“Date of Adoption”	2 August 2014, being the date on which the Share Option Scheme was adopted by the Company
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM of the Stock Exchange
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China

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## DEFINITIONS

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“Issue Mandate”	a general and unconditional mandate proposed to be granted to the Directors to exercise all power of the Company to allot, issue and otherwise deal with Shares of up to 20% of the total number of issued Shares on the date of AGM as set out in resolution number 5 of the AGM Notice
“Latest Practicable Date”	30 April 2019, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein
“Last Refreshment Resolution”	the ordinary resolution passed at the annual general meeting of the Company held on 8 June 2018 in relation to the refreshment of the Scheme Mandate Limit
“Repurchase Mandate”	a general and unconditional mandate proposed to be granted to the Directors to exercise all powers of the Company to repurchase Shares up to 10% of the total number of issued Shares on the date of AGM, as set out in resolution number 6 in the AGM Notice
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong), as amended and supplemented from time to time
“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)
“Share Option(s)”	any share option(s) granted or to be granted under the Share Option Scheme
“Share Option Scheme”	the share option scheme adopted by the Company on 2 August 2014
“Share Option Scheme Limit”	the maximum number of Shares which may be issued upon the exercise of all the share options to be granted under the Share Option Scheme, which initially shall not in exceed 10% of the total number of issued Shares as at the Date of Adoption and thereafter, if refreshed, shall not exceed 10% of the total number of issued Shares as at the date of approval of the refreshed limit by the Shareholders
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

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## DEFINITIONS

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“substantial shareholder(s)”	has the same meaning ascribed to it under the GEM Listing Rules
“Takeovers Code”	The Codes on Takeovers and Mergers and Share Buy-backs issued by the Securities and Futures Commission
“%”	per cent
“*”	for identification purpose only

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## LETTER FROM THE BOARD

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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)**

*Executive Directors:*

Mr. Zhu Zhou

Ms. Zhou Jin

*Independent non-executive Directors:*

Mr. Chan Kam Wah

Mr. Liu Yingjie

Mr. Cao Hongmin

*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:*

Suite 3513, Tower 6

The Gateway, Harbour City

9 Canton Road

Tsim Sha Tsui

Kowloon

Hong Kong

6 May 2019

*To the Shareholders*

Dear Sir/Madam,

**(1) PROPOSALS FOR GRANT OF  
ISSUE MANDATE AND REPURCHASE MANDATE  
(2) RETIREMENT OF DIRECTORS AND RE-ELECTION OF DIRECTORS  
(3) REFRESHMENT OF SHARE OPTION SCHEME LIMIT  
AND  
(4) NOTICE OF ANNUAL GENERAL MEETING**

#### **INTRODUCTION**

The purpose of this circular is to provide Shareholders with information in respect of the resolutions to be proposed at the AGM for (i) the Issue Mandate, (ii) the Repurchase Mandate; (iii) the extension of the Issuance Mandate by adding the number of Shares repurchased by the Company under the Repurchase Mandate; (iv) the re-appointment of Auditors; (v) the re-election of the retiring Directors; (vi) the refreshment of the Share Option Scheme Limit and (vii) the AGM Notice.

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## LETTER FROM THE BOARD

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### GENERAL MANDATE TO ISSUE SHARES

The Company's existing mandate to issue Shares was approved by its then Shareholders on 8 June 2018. Unless otherwise renewed, the existing mandate to issue Shares will lapse at the conclusion of the AGM. At the AGM, an ordinary resolution will be proposed to grant to the Directors new general and unconditional mandate to allot, issue and otherwise deal with the Shares up to 20% of the total number of the issued Shares as at the date of the passing of the proposed resolution.

In addition, a separate ordinary resolution will be proposed at the AGM to add to the Issue Mandate those Shares repurchased by the Company pursuant to the Repurchase Mandate (if so granted to the Directors at the AGM).

The Directors have no present intention to exercise the Issue Mandate or the Repurchase Mandate (if so granted to the Directors at the AGM).

The Issue Mandate allows the Company to allot, issue and otherwise deal with Shares only during the period ending on the earliest of (i) the conclusion of the next annual general meeting of the Company; (ii) the date by which the next annual general meeting of the Company is required to be held by the Articles of Association or the laws of the Cayman Islands; or (iii) the date upon which such authority is revoked or varied by an ordinary resolution of the Shareholders in a general meeting of the Company (the "**Relevant Period**").

As at the Latest Practicable Date, the issued share capital of the Company comprised 1,010,605,000 Shares. Subject to the passing of the relevant resolution to approve the Issue Mandate and on the basis that no further Shares are allotted and issued or repurchased prior to the date of the AGM, the Directors would be authorised to allot, issue and otherwise deal with a maximum of 202,121,000 new Shares under the Issue Mandate, representing 20% of the total number of issued Shares as at the date of the AGM.

### GENERAL MANDATE TO REPURCHASE SHARES

The Company's existing mandate to repurchase Shares was approved by its then Shareholders on 8 June 2018. Unless otherwise renewed, the existing mandate to repurchase Shares will lapse at the conclusion of the AGM.

At the AGM, an ordinary resolution will be proposed to grant to the Directors new general and unconditional mandate to repurchase Shares of up to 10% of the total number of issued Shares as at the date of the passing of the proposed resolution. The Repurchase Mandate allows the Company to make purchases only during the Relevant Period.

As at the Latest Practicable Date, the issued share capital of the Company comprised 1,010,605,000 Shares. Subject to the passing of the relevant resolution to approve the Repurchase Mandate and on the basis that no further Shares are allotted and issued or repurchased prior to the date of the AGM, the Company would be allowed to repurchase a maximum of 101,060,500 Shares under the Repurchase Mandate, representing 10% of the total number of issued Shares as at the date of the AGM.



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## LETTER FROM THE BOARD

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An explanatory statement required to be sent to the Shareholders under the GEM Listing Rules is set out in Appendix I to this circular to provide the requisite information regarding the Repurchase Mandate to the Shareholders.

### RE-ELECTION OF RETIRING DIRECTORS

In accordance with article 112 of the Articles of Association, Mr. Zhu Zhou, Ms. Zhou Jin, Mr. Liu Yingjie and Mr. Cao Hongmin and in accordance with article 108 of the Articles of Association, Mr. Chan Kam Wah will retire from their office as Directors and being eligible, have offered themselves for re-election as Directors at the AGM.

The Nomination Committee leads the process of appointment of Directors. The Nomination Committee shall evaluate the proposed candidate's suitability with reference to the selection criteria as stated in the nomination policy adopted on 1 January 2019 and make recommendation(s) to the Board's consideration and approval; In the case of the re-election of a director at the general meeting, the Nomination Committee shall review the overall contribution of the directors to the Company and their services, their participation and performance within the Board, and whether such director still meets the needs to complement the Company's corporate strategy.

Each of independent non-executive Directors has confirmed that they are independent and remains independent pursuant to Rule 5.09 of the GEM Listing Rules. The Board has determined that there are no relationships or circumstances which are considered to be material to affect the independence of independent non-executive Directors.

Each of the Directors standing for re-election has confirmed that they would be able to devote sufficient time to the Board.

Details of the above retiring Directors who are subject to re-election at the AGM are set out in Appendix II to this circular in accordance with the relevant requirements of the GEM Listing Rules. It indicates how each Director contributes to the diversity of the Board and their skills and experience that the Directors can bring to the Board.

### RE-APPOINTMENT OF AUDITOR

The Board (which has agreed with the recommendation of the audit committee of the Company) has recommended that, subject to the approval of the Shareholders at the AGM, ZHONGHUI ANDA CPA LIMITED be re-appointed as the auditor of the Company to hold office until the conclusion of the next annual general meeting.

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## LETTER FROM THE BOARD

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### REFRESHMENT OF THE SHARE OPTION SCHEME LIMIT

The Share Option Scheme was adopted by the Company on 2 August 2014 and will remain in force until 1 August 2024. The Company refreshed the Share Option Scheme Limit by way of the Last Refreshment Resolution on 8 June 2018, as a result of which the Directors were authorised to grant Share Options to allot and issue up to a maximum number of 101,060,500 Shares, which represented 10% of the then total issued share capital of the Company as at the date of Last Refreshment Resolution.

Save for the Share Option Scheme, the Company has no other share option scheme currently in force.

Since the date of the Last Refreshment Resolution and up to the Latest Practicable Date, details of movements in Share Options under the Share Option Scheme are set out below:

	<b>Outstanding at the date of the Last Refreshment Resolution</b>	<b>Granted</b>	<b>Exercised</b>	<b>Cancelled</b>	<b>Lapsed</b>	<b>Outstanding as at the Latest Practicable Date</b>
Former Directors	30,469,400	50,530,250	—	(64,693,600)	—	16,306,050
Employees	8,799,600	40,424,200	—	(49,223,800)	—	—
Consultant	8,000,000	10,106,050	—	(18,106,050)	—	—
Total	<u>47,269,000</u>	<u>101,060,500</u>	<u>—</u>	<u>(132,023,450)</u>	<u>—</u>	<u>16,306,050</u>

As at the Latest Practicable Date, the Company has a balance of 16,306,050 outstanding Share Options, representing approximately 1.61% of the total issued share capital of the Company.

Unless the Share Option Scheme Limit is refreshed, the Company may not grant any Share Options pursuant to the Share Option Scheme.

The Share Option Scheme was adopted to recognise and acknowledge the contributions of the Directors and eligible participants made to the Group. The Share Option Scheme will provide the grantees with an opportunity to have a personal stake in the Company with the view to achieving the objectives of motivating the grantees to optimise their performance efficiency for the benefit of the Company, and to attract and retain or otherwise maintain on-going relationships with the grantees whose contributions are or will be beneficial to the long-term growth of the Group.

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## LETTER FROM THE BOARD

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As at the Latest Practicable Date, there were 1,010,605,000 Shares in issue. Assuming no further issue or repurchase of Shares prior to the AGM, upon refreshment of the Scheme Mandate Limit by the Shareholders at the AGM, the Company will be allowed to grant under the Share Options Scheme up to a total of 101,060,500 Share Options, representing 10% of the issued Shares as at the date of passing the resolution (i.e. the date of the AGM). Share Options previously granted under the Share Option Scheme (including those outstanding, cancelled, lapsed or exercised in accordance with the Share Option Scheme and any other schemes of the Company) will not be counted for the purpose of calculating the Share Option Scheme Limit as “refreshed”.

Pursuant to the terms of the Share Option Scheme and in accordance with the relevant provisions of Chapter 23 of the GEM Listing Rules, the limit on the number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option schemes of the Company at any time must not exceed 30% of the issued Shares from time to time. No options may be granted under the Share Option Scheme or any other share option schemes of the Company if it will result in the aforesaid 30% limit being exceeded.

As mentioned in the above paragraph, the total number of Shares which may be issued upon exercise of the “refreshed” Scheme Mandate Limit of 101,060,500 Shares together with all outstanding Options as at the Latest Practicable Date carrying the right to subscribe for 16,306,050 Shares is 117,366,550 Shares, representing approximately 11.61% of the total number of Shares in issue as at the Latest Practicable Date.

Due to the granting of 101,060,500 Share Options on 19 June 2018 to the Directors, certain employees and a consultant as set out in the announcement of the same date, under the Share Option Scheme no further Share Options are available to be granted to eligible participants. The Directors thus consider that the Company should refresh the Share Option Scheme Limit so that the Company could have greater flexibility to provide incentives to the eligible participants of the Share Options Scheme by way of granting Share Options to them to strive for the future development and success of the Group.

The Directors further consider that the refreshment of the Share Option Scheme Limit is in the interests of the Group and the Shareholders as a whole because it enables the Company to reward and motivate the eligible participants under the Share Option Scheme.

At the AGM, an ordinary resolution will be proposed to the Shareholders to approve the proposed refreshment of the Share Option Scheme Limit so as to allow the Company to grant further Share Options under the Share Option Scheme for subscription of up to a total of 101,060,500 additional Shares, representing 10% of the Shares in issue as at the date of passing the resolution.

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## LETTER FROM THE BOARD

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The proposed refreshment of the Share Option Scheme Limit will be conditional upon:

- (a) the passing of an ordinary resolution to approve the refreshment of the Share Option Scheme Limit by the Shareholders at the AGM; and
- (b) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, any new Shares which may fall to be allotted and issued upon the exercise of the Share Options that may be granted under the refreshed Share Option Scheme Limit up to 10% of the Shares in issue as at the date of passing the relevant ordinary resolution (i.e. the date of the AGM).

Application will be made by the Company to the Stock Exchange for the grant of the listing of, and permission to deal in, any new Shares which may fall to be allotted and issued upon the exercise of the Share Options that may be granted under the refreshed Share Option Scheme Limit (i.e. up to 10% of the Shares in issue as at the date of passing the relevant ordinary resolution).

### AGM

A notice convening the AGM to be held at 10:00 a.m. on 6 June 2019 (Thursday) at Suite 3513, Tower 6, The Gateway, Harbour City, 9 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong is set out in the AGM Notice on pages 19 to 23 of this circular.

Pursuant to Rule 17.47(4) of the GEM Listing Rules, any vote of Shareholders at a general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands.

For determining the entitlement to attend and vote at the AGM, the register of members of the Company will be closed from 3 June 2019 (Monday) to 6 June 2019 (Thursday) (both days inclusive), during which period no transfer of shares in the Company will be registered. In order to qualify for attending the AGM, all transfers, accompanied by the relevant share certificates, have to be lodged with the Company's branch share registrar and transfer office in Hong Kong, Boardroom Share Registrars (HK) Limited at 2103B, 21/F., 148 Electric Road, North Point, Hong Kong, not later than 4:30 p.m. on 31 May 2019 (Friday). Shareholders of the Company whose names appear on the Register of Members on 6 June 2019 (Thursday) are entitled to attend and vote at the AGM or any adjourned meetings.

A form of proxy for use by Shareholders at the AGM is enclosed with this circular. Whether or not you intend to attend and vote at the AGM in person, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Company's branch share registrar and transfer office in Hong Kong, Boardroom Share Registrars (HK) Limited at 2103B, 21/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 the holding of the AGM or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from subsequently attending and voting at the AGM or any adjournment thereof (as the case may be) should you so desire.

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## LETTER FROM THE BOARD

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### RECOMMENDATION

The Directors consider that the granting of the Issue Mandate, the Repurchase Mandate, the extension of the Issue Mandate, the re-appointment of Auditors, the refreshment of Share Option Scheme Limit and the re-election of the retiring Directors are in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the relevant resolutions to be proposed at the AGM and as set out in the AGM Notice.

### RESPONSIBILITY STATEMENT

This circular, 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 circular 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.

By Order of the Board  
**Glory Flame Holdings Limited**  
**Zhu Zhou**  
*Chairman*

This appendix serves as an explanatory statement as required under the GEM Listing Rules to provide the requisite information to Shareholders for consideration of the Repurchase Mandate pursuant to Rule 13.08 of the GEM Listing Rules.

## **1. SHARE CAPITAL**

As at the Latest Practicable Date, the issued share capital of the Company comprised 1,010,605,000 Shares. Subject to the passing of the relevant resolution to approve the Repurchase Mandate and on the basis that no further Shares are allotted and issued or repurchased between the Latest Practicable Date and the date of AGM, the Company will be allowed to repurchase a maximum of 101,060,500 Shares during the Relevant Period.

## **2. SOURCE OF FUNDS**

The Directors propose that the repurchase of Shares under the Repurchase Mandate would be financed from the Company's internal resources.

In repurchasing the Shares, the Company may only apply funds which are legally available for such purposes in accordance with the constitutive documents of the Company, the GEM Listing Rules and the applicable laws and regulations of the Cayman Islands. The Company will not purchase the Shares on GEM for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange from time to time.

## **3. REASONS FOR SHARE REPURCHASE**

Although the Directors have no present intention of exercising the proposed Repurchase Mandate, the Directors believe that the flexibility afforded by the proposed Repurchase Mandate would be beneficial to the Company and the Shareholders. An exercise of the Repurchase Mandate may, depending on market conditions at the time, lead to an enhancement of the net asset value and/or earnings per Share and will only be made when the Directors believe that repurchase of Shares will benefit the Company and Shareholders as a whole.

**4. SHARE PRICES**

The highest and lowest prices at which the Shares have traded on the Stock Exchange in each of the previous twelve months and up to the Latest Practicable Date were as follows:

	<b>Shares Price</b>	
	<b>Highest</b>	<b>Lowest</b>
	<i>HK\$</i>	<i>HK\$</i>
<b>2018</b>		
April	0.620	0.580
May	0.610	0.580
June	0.730	0.600
July	0.680	0.540
August	0.415	0.205
September	0.246	0.188
October	0.188	0.098
November	0.106	0.091
December	0.102	0.088
<b>2019</b>		
January	0.093	0.066
February	0.078	0.064
March	0.084	0.073
April (up to the Latest Practicable Date)	0.089	0.078

**5. UNDERTAKING**

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the powers of the Company to make repurchases pursuant to the Repurchase Mandate and in accordance with the GEM Listing Rules and the applicable laws of the Cayman Islands.

**6. EFFECT OF THE TAKEOVERS CODE**

If as a result of a repurchase of Shares pursuant to the Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of the Takeovers Code. As a result, a Shareholder, or a group of Shareholders acting in concert (as defined in the Takeovers Code), depending on the level of increase of the Shareholder's interest, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, the Directors are not aware of any consequences of such repurchases of Shares that would result in any Shareholder, or group of Shareholders acting in concert, becoming obliged to make a mandatory offer under Rule 26 of the Takeovers Code if the Repurchase Mandate was exercised in full. Moreover, the Directors do not intend to exercise the power to repurchase Shares to an extent which would render any Shareholder or group of Shareholders obliged to make a mandatory offer under Rule 26 of the Takeovers Code.

The Directors will not repurchase the Shares on GEM if the repurchase would result in the number of the listed securities which are in the hands of the public falling below 25%, being the relevant minimum prescribed percentage for the Company as required by the Stock Exchange.

#### **7. DISCLOSURE OF INTERESTS OF DIRECTORS, THEIR CLOSE ASSOCIATES AND CORE CONNECTED PERSONS**

As at the Latest Practicable Date, none of the Directors nor, to the best of their respective knowledge and belief and having made all reasonable enquiries, their close associates (as defined under the GEM Listing Rules), have any present intention, if the Repurchase Mandate is approved by the Shareholders and is exercised, to sell any Shares to the Company or any of its subsidiaries under the Repurchase Mandate.

As at the Latest Practicable Date, no core connected person (as defined in the GEM Listing Rules) of the Company has notified the Company that he/she/it has a present intention to sell any Shares in the event that the Repurchase Mandate is approved by the Shareholders.

#### **8. MATERIAL ADVERSE CHANGE**

As compared with the financial position of the Company as at 31 December 2018 (being the date to which the latest audited accounts of the Company have been made up), the Directors consider that there would not be a material adverse impact on the working capital and on the gearing position of the Company in the event that the proposed repurchases were to be carried out in full during the proposed repurchase period.

The Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital of the Company or the gearing position which in the opinion of the Directors are from time to time appropriate for the Company.

#### **9. SHARE REPURCHASE MADE BY THE COMPANY**

The Company had not repurchased any of the Shares (whether on GEM or otherwise) in the six months immediately preceding the Latest Practicable Date.



*The following are the particulars of the Directors proposed to be re-elected at the AGM:*

**RE-ELECTION OF DIRECTORS****EXECUTIVE DIRECTORS****Mr. Zhu Zhou (朱洲) (“Mr. Zhu”)**

Mr. Zhu Zhou, aged 45, is an executive Director, the chairman of the Board and the chief executive officer of the Company. Mr. Zhu obtained a Master of Business Administration from The University of Iowa in 2005. He obtained a Ph.D. in Agricultural Economic Management from Huazhong Agricultural University in 2005 and completed the postdoctoral research in the area of Business Administration at Renmin University of China in 2010. Mr. Zhu is experienced in corporate management and business development. Mr. Zhu has held positions including General Manager of Beijing Zhongnong Seed Co., Limited (北京中農種業有限責任公司), Chief Executive Officer and Executive Director of China Agri-Products Exchange Limited (Stock code: 00149) and General Manager of Hubei Kairui Baigu Agricultural Technology Corporation Ltd (湖北凱瑞百穀農業科技股份有限公司).

Save as disclosed above, Mr. Zhu does not hold any major appointment or professional qualification or directorship in other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years or any other position with the Company and other members of the Group.

Mr. Zhu does not have any relationship with other Directors, senior management, substantial or controlling Shareholders as defined in the Rules Governing the Listing of Securities on the GEM (“**GEM Listing Rules**”) of the Stock Exchange.

As at the the Latest Practicable Date, Mr. Zhu has interest in 269,000,000 shares of the Company, representing approximately 26.62% of the number of issued shares of the Company. Save as the aforesaid, Mr. Zhu has no other interests in the shares of the Company within the meaning of Part XV of the SFO.

Mr. Zhu has entered into a director’s service agreement with the Company for a term of three years commencing on 19 September 2018 subject to rotation and re-election at annual general meetings of the Company in accordance with the Articles of Association. The director’s fee of Mr. Zhu is HK\$1,200,000 per annum and Mr. Zhu is entitled to discretionary bonus payment subject to approval of the Board which is determined with reference to his experience, duties and responsibilities within the Group.

Save as disclosed above, the Company considers that in relation to the re-election of Mr. Zhu as an executive Director, there are no other matters relating to the appointment of Mr. Zhu that need to be brought to the attention of the Shareholders and there is no other information that should be disclosed pursuant to paragraphs 17.50(2)(h) to (v) of the GEM Listing Rules.

**Ms. Zhou Jin (“Ms. Zhou”)**

Ms. Zhou, aged 29, is an executive Director. She obtained a diploma of business (marketing) from Australian Academy of Commerce awarded in December 2012. She also completed an enterprise CEO advanced seminar\* (企業總裁高級研修班) from Wuhan University in 2016. She was an assistant to general manager, officer and vice-general manager of Wuhan Zhangjiawan Freight Company Limited\* (武漢張家灣貨運有限責任公司) from March 2012 to March 2014. She was the director of XAHT Antenna Technologies (Hongkong) Limited from 2017 until March 2019, principally responsible for promotion and sales work in the Australian market.

Save as disclosed above, Ms. Zhou does not hold any other major appointments or professional qualifications or directorship in other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years or any other position with the Company and other members of the Group.

Ms. Zhou does not have any relationship with other Directors, senior management, substantial or controlling Shareholders as defined in the GEM Listing Rules.

As at the Latest Practicable Date, Ms. Zhou has interest in 144,500,000 shares of the Company, representing approximately 14.30% of the number of issued shares of the Company. Save as the aforesaid, Ms. Zhou has no other interests in the shares of the Company within the meaning of Part XV of the SFO.

Ms Zhou has entered into a director’s service agreement with the Company for a term of three years commencing on 12 April 2019 subject to rotation and re-election at annual general meetings of the Company in accordance with the Articles of Association. The director’s fee of Ms. Zhou is HK\$1,200,000 per annum and Ms. Zhou is entitled to discretionary bonus payment subject to approval of the Board which is determined with reference to her experience, duties and responsibilities within the Group.

Save as disclosed above, the Company considers that in relation to the re-election of Ms. Zhou as an executive Director, there are no other matters relating to the appointment of Ms. Zhou that need to be brought to the attention of the Shareholders and there is no other information that should be disclosed pursuant to paragraphs 17.50(2)(h) to (v) of the GEM Listing Rules.

**INDEPENDENT NON-EXECUTIVE DIRECTORS****Mr. Liu Yingjie (劉英傑) (“Mr. Liu”)**

Mr. Liu Yingjie, aged 50, is an independent non-executive Director. Mr. Liu obtained a Doctor of Management degree from China Agricultural University in 2005. He is a researcher and an expert in industrial economy and regional development. Mr. Liu holds positions as Chairman of Shenzhen Liying Biotechnology Co., Ltd.\* (深圳麗穎 生物科技有限公司) and Director of Global Agricultural Technology Innovation and Development Center of Tsinghua University\* (清華大學全球農業技術創新發展中心主任). He has served as Deputy Secretary General of China Agricultural Society\* (中國農學會副秘書長), Deputy Director of Xinjiang Agriculture Department\* (新疆自治區農業廳副廳長), Deputy Director of the Department of International Cooperation of the Ministry of Agriculture\* (農業部國際合作司副司長) and Deputy Director of the Department of Personnel and Labour\* (人事勞動司副司長).

Save as disclosed above, Mr. Liu does not hold any major appointment or professional qualification or directorship in other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years or any other position with the Company and other members of the Group.

Mr. Liu does not have any relationship with other Director, senior management, substantial or controlling Shareholder as defined in the GEM Listing Rules and has no interests in the Shares which are required to be disclosed pursuant to Part XV of the SFO.

Mr. Liu has entered into a director’s service agreement with the Company for a term of two years commencing on 9 September 2018 subject to rotation and re-election at annual general meetings of the Company in accordance with the Articles of Association. The director’s fee of Mr. Liu is HK\$120,000 per annum, which is determined with reference to his experience, duties and responsibilities within the Company.

Save as disclosed above, the Company considers that in relation to the re-election of Mr. Liu as an independent non-executive Director, there are no other matters relating to the appointment of Mr. Liu that need to be brought to the attention of the Shareholders and there is no other information that should be disclosed pursuant to paragraphs 17.50(2) (h) to (v) of the GEM Listing Rules.

**Mr. Cao Hongmin (曹洪民) (“Mr. Cao”)**

Mr. Cao Hongmin, aged 47, is an independent non-executive Director. Mr. Cao holds a Bachelor of Laws and a Master of Economics from Lanzhou University (蘭州大學) and a Doctor of Management from China Agricultural University. Mr. Cao has also undertaken post-doctoral research in history from Peking University. Mr. Cao holds positions including vice president of Shenzhen Fengqun Chanye Service Group\* (深圳市蜂群產業服務集團), chairman of the board of director of Shenzhen Heyuan Technology Co., Ltd\* (深圳市和緣科技有限公司), department head and professor of China Agricultural Development Research Institute\* of the Beijing Tangyongtong College\* (北京湯用彤書院中國農村發展研究院) and chairman of Shenzhen Huayue Public Welfare Financial Innovation Center\* (深圳市福田區華悅公益金融創新中心).

Saved as disclosed above, Mr. Cao does not hold any major appointment or professional qualification or directorship in other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years or any other position with the Company and other members of the Group.

Mr. Cao does not have any relationships with other Directors, senior management, substantial or controlling Shareholder as defined in the GEM Listing Rules and he has no interests in the Shares which are required to be disclosed pursuant to Part XV of the SFO.

Mr. Cao has entered into a director’s service contract with the Company for a term of two years commencing on 22 January 2019 subject to rotation and re-election at annual general meetings of the Company in accordance with the Articles of Association. The director’s fee of Mr. Cao is HK\$120,000 per annum which is determined with reference to his experience, duties and responsibilities within the Company.

Save as disclosed above, the Company considers that in relation to the re-election of Mr. Cao as an independent non-executive Director, there are no other matters relating to the appointment of Mr. Cao that need to be brought to the attention of the Shareholders and there is no other information that should be disclosed pursuant to paragraphs 17.50(2)(h) to (v) of the GEM Listing Rules.

**Mr. Chan Kam Wah (陳錦華) (“Mr. Chan”)**

Mr. Chan Kam Wah, aged 43, is an independent non-executive Director. Mr. Chan holds a bachelor’s degree in Accounting from Napier University, Edinburgh of Scotland and a master degree in Business Administration from University of Sunderland. Mr. Chan is also a fellow of the Association of Chartered Certified Accountant and an associate member of the Hong Kong Institute of Certified Public Accountants. Mr. Chan has over 10 years of experience in accounting and finance. He is currently an executive director of Elegance Optical International Holdings Limited (Stock code: 0907) and an independent non-executive director of Life Healthcare Group Limited (Stock code: 0928).

Saved as disclosed above, Mr. Chan does not hold any major appointment or professional qualification or directorship in other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years or any other position with the Company and other members of the Group.

Save as disclosed above, Mr. Chan does not have any relationships with other Directors, senior management, substantial or controlling Shareholder as defined in the GEM Listing Rules and he has no interests in the Shares which are required to be disclosed pursuant to Part XV of the SFO.

Mr. Chan has entered into a director’s service contract with the Company for a term of three years commencing on 27 May 2016 subject to rotation and re-election at annual general meetings of the Company in accordance with the Articles of Association. The director’s fee of Mr. Chan is HK\$120,000 per annum which is determined with reference to his experience, duties and responsibilities within the Company.

Save as disclosed above, the Company considers that in relation to the re-election of Mr. Chan as an independent non-executive Director, there are no other matters relating to the appointment of Mr. Chan that need to be brought to the attention of the Shareholders and there is no other information that should be disclosed pursuant to paragraphs 17.50(2)(h) to (v) of the GEM Listing Rules.

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## NOTICE OF AGM

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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)**

**NOTICE IS HEREBY GIVEN** that the annual general meeting (the “**Meeting**”) of shareholders of Glory Flame Holdings Limited (the “**Company**”) will be held at 10:00 a.m. on 6 June 2019 (Thursday) at Suite 3513, Tower 6, The Gateway, Harbour City, 9 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong, to consider and, if thought fit, to pass with or without amendments, the following resolutions:

#### **ORDINARY RESOLUTIONS**

1. To receive and adopt the audited financial statements of the Company and its subsidiaries and the reports of the directors of the Company and the auditors of the Company for the year ended 31 December 2018.
2. To re-appoint ZHONGHUI ANDA CPA LIMITED as auditors of the Company and to authorise the board (the “**Board**”) of Directors (the “**Directors**”) of the Company to fix their remuneration.
3.
  - (a) To re-elect Mr. Zhu Zhou as an executive Director;
  - (b) To re-elect Ms. Zhou Jin as an executive Director;
  - (c) To re-elect Mr. Liu Yingjie as a independent non-executive Director;
  - (d) To re-elect Mr. Cao Hongmin as an independent non-executive Director; and
  - (e) To re-elect Mr. Chan Kam Wah as an independent non-executive Director.
4. To authorise the Board to fix the remuneration of the Directors.

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## NOTICE OF AGM

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5. “THAT:

- (a) subject to paragraph (c) of this resolution, and pursuant to the Rules Governing the Listing of Securities on GEM (the “**GEM Listing Rules**”) of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares of HK\$0.01 each in the share capital of the Company (“**Shares**”) or securities convertible into such Shares or options, warrants, or similar right to subscribe for any Shares or convertible securities of the Company and to make or grant offers, agreements and options (including bonds, warrants and debentures convertible into Shares) which would or might require the exercise of such power be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) of this resolution shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options (including bonds, warrants and debentures convertible into Shares) which would or might require the exercise of such powers (including but not limited to the power to allot, issue and deal with additional Shares in the capital of the Company) during or after the end of the Relevant Period;
- (c) the total number of Shares allotted or agreed conditionally or unconditionally to be allotted and issued (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraphs (a) and (b) of this resolution, otherwise than pursuant to (i) a Rights Issue (as hereinafter defined); (ii) the exercise of any options granted under any share option scheme adopted by the Company or similar arrangement for the time being adopted for the grant or issue to officers and/ or employees of the Company and/or any of its subsidiaries and/ or any eligible persons thereunder of Shares or rights to subscribe for Shares; (iii) any scrip dividend scheme or similar arrangement providing for the allotment of Shares in lieu of the whole or part a dividend pursuant to the articles of association of the Company (the “**Articles of Association**”) from time to time; or (iv) an issue of Shares upon the exercise of rights of subscription or conversion under the terms of any warrants of the Company or any securities which are convertible into Shares, shall not exceed 20% of the total number of issued Shares as at the time of passing this resolution, and the said approval shall be limited accordingly; and



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## NOTICE OF AGM

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- (d) for the purpose of this Resolution, “**Relevant Period**” means the period from the passing of this resolution until whichever is the earliest of:
  - (i) the conclusion of the next annual general meeting of the Company; or
  - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association or any applicable laws of the Cayman Islands to be held; or
  - (iii) the date on which the authority given under this resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting.

“**Rights Issue**” means an offer of Shares open for a period fixed by the Company or the Directors to holders of Shares whose names appear on the register of members of the Company on a fixed record date in proportion to their then holdings of such Shares as at that date (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of any relevant jurisdiction, or the requirements of any recognised regulatory body or any stock exchange).”

6. “**THAT:**

- (a) subject to paragraph (c) of this resolution, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase the Shares on GEM of the Stock Exchange or on any other stock exchange on which the securities of the Company may be listed and which is recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, and that the exercise by the Directors of all powers to repurchase such shares are subject to and in accordance with all applicable laws and requirements of the GEM Listing Rules or of any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) of this resolution above shall be in addition to any other authorisation given to the Directors and shall authorise the Directors on behalf of the Company during the Relevant Period to procure the Company to repurchase its Shares at a price determined by the Directors;
- (c) the total number of Shares repurchased or agreed conditionally or unconditionally to be repurchased by the Company pursuant to the approval in paragraph (a) of this resolution during the Relevant Period shall not exceed 10% of the total number of issued Shares as at the time of the passing of this resolution, and the said approval shall be limited accordingly; and



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## NOTICE OF AGM

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- (d) for the purpose of this Resolution, “**Relevant Period**” means the period from the passing of this resolution until whichever is the earliest of:
  - (i) the conclusion of the next annual general meeting of the Company; or
  - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association or any applicable laws of the Cayman Islands to be held; or
  - (iii) the date on which the authority given under this resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting.”
- 7. “**THAT** conditional upon the passing of Resolutions No. 5 and 6 as set out in this notice convening the Meeting of which this resolution forms part, the general mandate granted to the Directors pursuant to Resolution No. 5 as set out in this notice convening the Meeting of which this Resolution forms part be and is hereby extended by the addition thereto of an amount representing the aggregate amount of Shares repurchased by the Company under the authority granted pursuant to Resolution No. 6 as set out in this notice convening the Meeting of which this Resolution forms part, provided that such amount shall not exceed 10% of the total number of issued Shares as at the date of passing this Resolution.”
- 8. “**THAT** subject to and conditional upon the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the additional Shares to be issued pursuant to the exercise of options which may be granted under the Share Option Scheme, the refreshment of the limit in respect of the granting of Share Options to subscribe for new Shares under the Share Option Scheme be and is hereby approved, provided that:
  - (a) the total number of Shares in respect of which Share Options may be granted under the Share Option Scheme shall not exceed 10% of the total number of issued Shares as at the date of passing this resolution (the “**Refreshed Limit**”);
  - (b) Share Options previously granted under the Share Option Scheme (including those outstanding, cancelled, lapsed or exercised in accordance with the terms of the Share Option Scheme) will not be counted for the purpose of calculating the Refreshed Limit;
  - (c) the Directors be and are hereby unconditionally authorised to offer or grant Share Options pursuant to the Share Option Scheme to subscribe for the Shares up to the Refreshed Limit and to exercise all the powers of the Company to allot, issue and deal with the shares upon the exercise of such Share Options; and

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## NOTICE OF AGM

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- (d) such increase in the Refreshed Limit shall in no event result in the number of Shares which may be issued upon exercise of all outstanding Share Options granted and yet to be exercised under the Share Option Scheme and any other schemes of the Company exceed 30% of the total number of issued Shares from time to time.”

By Order of the Board  
**Glory Flame Holdings Limited**  
**Zhu Zhou**  
*Chairman*

Hong Kong, 6 May 2019

*Notes:*

1. Any member of the Company entitled to attend and vote at the Meeting is entitled to appoint one or more proxies to attend and vote instead of him. A member who is the holder of two or more shares may appoint more than one proxy to represent him and vote on his behalf at the Meeting. A proxy need not be a member of the Company.
2. The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing, or if the appointer is a corporation, either under seal or under the hand of an officer or attorney duly authorized on its behalf.
3. Where there are joint registered holders of any shares, any one of such persons may vote at the Meeting (or any adjournment thereof), either personally or by proxy, in respect of such share as if he were solely entitled thereto; but if more than one of such joint holders be present at the Meeting personally or by proxy, that one of the said persons so present whose name stands first on the register of members of the Company in respect of such share shall alone be entitled to vote in respect thereof.
4. In order to be valid, the proxy form, together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy thereof, must be deposited at the Company's branch registrar and transfer office in Hong Kong, Boardroom Share Registrars (HK) Limited at 2103B, 21/F, 148 Electric Road, North Point, Hong Kong not less than 48 hours before the time appointed for holding the Meeting or any adjournment thereof.
5. Delivery of an instrument appointing a proxy shall not preclude a shareholder from attending and voting in person at the meeting and, in such event, the instrument appointing a proxy shall be deemed to be revoked.
6. An explanatory statement as required by the GEM Listing Rules in connection with the repurchase mandate under resolution No. 6 above is set out in Appendix I to this circular.
7. In relation to resolution No. 3, Mr. Zhu Zhou, Ms. Zhou Jin, Mr. Liu Yingjie, Mr. Cao Hongmin and Mr. Chan Kam Wah will retire from office at the Meeting in accordance with the Articles of Association and, being eligible, will offer themselves for re-election as Directors. Biographical details of these Directors are set out in Appendix II to this circular.
8. The transfer books and register of members of the Company will be closed from 3 June 2019 (Monday) to 6 June 2019 (Thursday), both days inclusive. During such period, no share transfers will be effected. In order to qualify for attending the Meeting, all transfer documents, accompanied by the relevant share certificates, must be lodged with the Company's branch share registrar in Hong Kong, Boardroom Share Registrars (HK) Limited at 2103B, 21/F, 148 Electric Road, North Point, Hong Kong for registration no later than 4:30 p.m. on 31 May 2019 (Friday).
9. A form of proxy for use by shareholders at the Meeting is enclosed.