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GRAND PEACE GROUP HOLDINGS LIMITED

福澤集團控股有限公司 *

(Incorporated in Bermuda with limited liability)

(Stock Code: 08108)

CLARIFICATION ANNOUNCEMENT

References are made to (i) the announcements of the Company dated 1 April 2014 and 9 June 2014 (collectively, the “**Announcements**”) and the circular of the Company dated 8 May 2014 (the “**Circular**”), in relation to, among other things, the placing of new shares of the Company (the “**Placing Shares**”) under Specific Mandate; and (ii) the annual report of the Company for the financial year ended 31 December 2014 published on 30 March 2015 (the “**Annual Report**”). Unless the context requires otherwise, the use of capitalised terms herein shall have the same meanings as defined in the Circular.

As disclosed in the Circular and the Annual Report, the net proceeds from the Placing was approximately HK\$26.06 million, which was intended to be used (i) as to HK\$8 million for the settlement of the remaining deposit balance under the Cooperation Agreement; (ii) as to approximately HK\$3 million for the development of the business of finance company; (iii) as to approximately HK\$7 million for the outstanding rental prepayment of the funeral parlour (the actual rental repayment of which being HK\$13.95 million per quarter); and (iv) as to approximately HK\$8.06 million as general working capital of the Group or, if attractive investment opportunities are identified, may be used for possible acquisition.

** For identification purpose only*

The Company would clarify that up to the publish date of the Annual Report, the net proceeds from the Placing were used as intended. In respect of the actual usage of HK\$8.06 million of the point (iv) mentioned above, approximately HK\$2.95 million was used for salary payment, approximately HK\$1.07 million was used for funeral parlour operating expenses, approximately HK\$1.57 million was used for legal and professional fee, approximately HK\$0.08 million was used for bond interests, approximately HK\$0.75 million was used for audit fee and approximately HK\$1.64 million was used for general administrative expenses.

By order of the Board
Grand Peace Group Holdings Limited
LI Ge
Executive Director

Hong Kong, 10 September 2015

As at the date of this announcement, the Board comprises Mr. Li Ge, Mr. Sun, Miguel and Mr. Cheng Wai Keung as Executive Directors, and Mr. Liu Qing Chen, Mr. Zhang Chun Qiang and Ms. Tan Xiao Yan as Independent Non-executive directors.

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 enquires, 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 GEM website at www.hkgem.com on the “Latest Company Announcements” page for at least seven days from the day of its posting and on the website of the Company at www.grandpeace.com.hk.