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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)

PROFIT WARNING

FOR THE THREE MONTHS ENDED 31 MARCH 2019

This announcement is made by Grand Peace Group Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 17.10 of the Rules Governing the Listing of Securities on the GEM of The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”) and the Inside Information Provisions (as defined under the GEM Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board (the “**Board**”) of directors (the “**Directors**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on the preliminary review of the unaudited consolidated management accounts of the Group for the three months ended 31 March 2019 (the “**Period**”) and the information currently available to the Company, the Group expects to record an increase of approximately 20% to 30% in loss for the Period as compared with the results for the corresponding period in 2018. Such expected increase in loss for the Period is mainly attributable to: (i) a decrease in Hong Kong funeral business revenue and consequently a decrease in the gross profit as a result of the slowdown of the funeral business in Hong Kong and (ii) an increase in marketing expenses of the Group.

The Company is in the process of finalising the results of the Group for the Period. The information contained in this announcement is only based on the preliminary assessment by the Board of the unaudited consolidated management accounts of the Group for the Period and the unaudited information currently available to the Company. Details of the Group’s results for the Period will be disclosed as and when the unaudited results of the Group for the Period is announced.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

By order of the Board
Grand Peace Group Holdings Limited
Sun, Miguel
Executive Director

Hong Kong, 7 May 2019

As at the date of this announcement, the Board comprises Mr. Sun, Miguel, Mr. He Weiqing and Mr. Wong Wai Leung as Executive Directors, and Mr. Chin Kwan Lam, Raymond, Mr. Huen Ho Yin and Mr. Huang Hongbin 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 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 GEM website at www.hkgem.com on the “Latest Company Announcements” page for at least seven days from the date of its posting and on the website of the Company at www.grandpeace.com.hk.

** For identification purpose only*