

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, 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 announcement.

GRAND PEACE GROUP HOLDINGS LIMITED

福澤集團控股有限公司*

(Provisional liquidators appointed)

(For restructuring purposes only)

(Incorporated in Bermuda with limited liability)

(Stock Code: 08108)

UPDATE ON THE WINDING-UP PETITION AND APPOINTMENT OF PROVISIONAL LIQUIDATORS

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

PETITION FOR THE WINDING UP OF THE COMPANY IN BERMUDA AND APPLICATION FOR APPOINTMENT OF JOINT AND SEVERAL PROVISIONAL LIQUIDATORS

The board (the “**Board**”) of directors (the “**Directors**”) of the Company announces that having duly and carefully considered the current financial position of the Group, including the cash flow status of the Company and that it is currently unable to pay its debts when they fall due and will be insolvent within the meaning of Section 161 of the Companies Act 1981 of Bermuda (the “**Companies Act**”), the Company filed at the Supreme Court of Bermuda (Commercial Court) (the “**Bermuda Supreme Court**”) a winding up petition (the “**Bermuda Petition**”) under Civil Jurisdiction Companies (Winding-Up) 2021 No. 21 on 19 January 2021 (Bermuda time).

The Bermuda Petition seeks the winding up of the Company by the Bermuda Supreme Court under the provisions of the Companies Act. Further, in the same proceedings as the Bermuda Petition, the Company has also sought the appointment of Mr. Osman Mohammed Arab and Mr. Lai Wing Lun, both of RSM Corporate Advisory (Hong Kong) Limited, and Mr. Edward Alexander Niles Whittaker of R&H Services Limited as joint provisional liquidators of the Company (the “**JPLs**”) pursuant to Section 170 of the Companies Act for the purpose of, *inter alia*, carrying out a restructuring of the business and the indebtedness of the Group (the “**Application**”).

The Bermuda Petition and the Application were heard by the Bermuda Supreme Court on 22 January 2021 (Bermuda time) (the “**First Hearing**”). At the end of the First Hearing, the Bermuda Supreme Court approved the Application while it adjourned the hearing of the Bermuda Petition to a subsequent date.

As set out in the sealed Court Order of the Bermuda Supreme Court dated on 22 January 2021 (the “**Order**”), the Bermuda Supreme Court ordered, among other matters, that

- (1) Mr. Osman Mohammed Arab and Mr. Lai Wing Lun, both of RSM Corporate Advisory (Hong Kong) Limited, and Mr. Edward Alexander Niles Whittaker of R&H Services Limited be appointed as joint provisional liquidators of the Company (the “**JPLs**”) with immediate effect;
- (2) appointment of the JPLs is for restructuring purposes only and their powers are limited pursuant to Section 170 (3) of the Companies Act, and such powers are to be exercised by the JPLs acting jointly and severally;
- (3) without restricting the generality of paragraph (2) above, the JPLs shall be empowered to carry out such functions including:
 - (a) to develop and propose a restructuring of the Company’s indebtedness in a manner designed to allow the Company to continue as a going concern, with a view to making a compromise or arrangement with the Company’s creditors, including (without limitation) a compromise or arrangement by way of a scheme of arrangement;
 - (b) to monitor, oversee and supervise the Board in its management of the Company with a view to developing and proposing any compromise or arrangement with the Company’s creditors, and any corporate and/or capital reorganization of the Company and its subsidiaries;
 - (c) to present proposal to The Stock Exchange of Hong Kong Limited (“**HKSE**”) for the resumption of trading of the Company’s shares and maintenance of the Company’s listing on the Growth Enterprise Market of HKSE (the “**GEM**”), and to satisfy any resumption conditions, including but not limited to (i) publish all outstanding financial results required under the GEM Listing Rules and address any audit modifications, (ii) have the winding up petition of the Company in Hong Kong dismissed or withdrawn, (iii) announce all material information for the Company’s shareholders and investors to appraise their respective position, (iv) re-comply with Rules 5.05, 5.05A, 5.14, 5.24 and 5.28 of the GEM Listing Rules, and (v) demonstrate that the Company has an effective Board responsible for the Group’s management and operation and adequate financial reporting and other procedures and systems to meet all continuing obligations under the GEM Listing Rules;
 - (d) to seek out investors and financiers for the purpose of investing in and/or providing finance to the Company;
 - (e) to oversee the existing Board (and attend any Board meetings) so as to protect the interests of and effect a maximization of returns to the stakeholders of the Company;
 - (f) to locate, protect, secure and take into their possession and control all assets and property to which the Company is or appear to be entitled;
 - (g) to investigate the assets and affairs of the Company and the circumstances which gave rise to its insolvency;

- (h) in relation to the Company and its subsidiaries, to review and approve any asset disposition valued at more than HK\$2,000,000;
 - (i) to do all such things as may be necessary or expedient for the protection or recovery of the Company's property and assets at law or in equity in such jurisdictions as the JPLs may consider to be appropriate;
 - (j) to communicate with and carry out any necessary filings with regulatory bodies as appropriate, including, without limitation, the Securities and Futures Commission of Hong Kong and The Stock Exchange of Hong Kong Limited in the name and on behalf of the Company;
 - (k) to take whatever steps the JPLs deem appropriate in order to deal with claims made or to be made against the Company, including without limitation, the power to require claims to be submitted to the JPLs and to fix a final date for the submission of claims for the purposes of participation in any proposed scheme of arrangement, subject to a discretion on the part of the JPLs to admit claims made after that date in special circumstances; and
 - (l) such other functions as specified in the Order;
- (4) the directors and officers of the Company shall provide the JPLs with such information as the JPLs may require in order that the JPLs should be able to properly carry out their duties and functions and exercise their powers under the Order and as officers of the Bermuda Supreme Court, without purporting to impose any conditions as to the confidentiality of such information or its use, including, without limitation, such information as the JPLs may reasonably require to enable them to monitor the cash flow of the Company and its subsidiaries;
- (5) the JPLs shall be entitled to receive advance materials, receive advance notice of and, at the expense of the Company, attend all of the Company's Board meetings and the Group's board meetings and such meetings of management or sub-committees of the Board as the JPLs may request;
- (6) notwithstanding such function as set out in (3)(h) above, the JPLs will obtain the prior sanction of the Bermuda Supreme Court for any disposition of assets of the Company or the Group where the value of those assets is an amount in excess of HK\$2,000,000;
- (7) the JPLs shall submit a report to the Bermuda Supreme Court on the conduct of the provisional liquidation and prospects of a restructuring at least every 3 months or as the Bermuda Supreme Court may otherwise request from time to time, with the first report to be filed within 3 months of the Order;
- (8) the JPLs are directed to notify all known creditors and shareholders of the Company and The Stock Exchange of Hong Kong Limited of their appointment and advertise the same in a newspaper having circulation in the country or countries in which it is most likely to come to the attention of the Company's creditors in the official language of such country or countries;

- (9) notwithstanding any provision in the Company’s Bye-laws, and for so long as the JPLs are appointed,
- (a) any change to the members of the Board and the members of the Board’s subcommittees, other than by resolution of shareholders or by resignation, shall be approved by the JPLs before the change becomes effective, provided that the JPLs shall not unreasonably withhold their approval; and
 - (b) no new shares shall be issued or shall any rights attaching to shares be altered without the prior approval of the JPLs;
- (10) save as specifically set out in the Order, the Board shall continue to manage the Company’s day-to-day affairs in all respects and exercise the powers conferred upon it by the Company’s Memorandum of Association and Bye-laws, subject to the JPLs’ oversight and monitoring of the exercise of such powers in relation to matters concerning the ordinary course of business of the Company pursuant to the Order, and to matters outside the ordinary course of business of the Company subject to the JPLs’ granting prior approval of the exercise of such powers;
- (11) the JPLs and the Board shall seek to agree on a protocol which sets out the terms upon which the JPLs and the Board shall cooperate with respect to the management of the Company; and
- (12) a Letter of Request in such form as prescribed in the Order be issued and directed to the High Court of Hong Kong (“**Hong Kong High Court**”) seeking its assistance in aid of the Bermuda Supreme Court in the Bermuda proceedings by ordering, if the Hong Kong High Court shall consider appropriate, that the Order be recognized such that the Order be treated in all respects in the same manner as if the Order had been made and the JPLs had been appointed by the Hong Kong High Court, to the fullest extent permitted by the laws of Hong Kong.

Following the appointment of the JPLs pursuant to the Order, the JPLs informed the Company that the JPLs intend to seek their appointment to be recognized by the Hong Kong High Court. The Company is seeking legal advice thereon, and further announcement will be made to update the shareholders of the Company and potential investors as and where appropriate.

The Bermuda Petition was further heard by the Bermuda Supreme Court on 26 February 2021 (Bermuda time), and the Bermuda Supreme Court adjourned the hearing of the Bermuda Petition to 21 May 2021. The Company received copy of the sealed order of the Bermuda Supreme Court on 17 March 2021. Further announcement on the Bermuda Petition will be made by the Company as and where appropriate.

PETITION FOR THE WINDING UP OF THE COMPANY IN HONG KONG

References are made to the announcements of the Company dated 23 December 2019, 19 February 2020, 21 April 2020, 16 September 2020, 30 October 2020, 24 December 2020 and 21 January 2021 (the “**Announcements**”, and each an “**Announcement**”) relating to the Petition (as defined in the Announcements) presented against the Company in Hong Kong (the “**Hong Kong Petition**”). Terms used herein shall have the same meaning as defined in the Announcements unless otherwise specified.

As previously disclosed in the 21 January 2021 Announcement, the hearing of the Hong Kong Petition has been adjourned to 24 May 2021. Further announcement on the Hong Kong Petition will be made by the Company as and where appropriate.

CONTINUED SUSPENSION OF TRADING IN THE SHARES

At the request of the Company, trading in the Shares has been suspended with effect from 9:00 a.m. on 1 April 2020 and will continue to be suspended until further notice. The Company will keep the public informed of the latest significant developments by making further announcement(s) as and when appropriate and in accordance with the requirements of the GEM Listing Rules.

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

By Order of the Board
Grand Peace Group Holdings Limited
(Provisional liquidators appointed)
(For restructuring purposes only)
Ng Chun Chung
Chairman and
Independent Non-executive Director

Hong Kong, 22 March 2021

As at the date of this announcement, the Board comprises Mr. Chow Wai Leong Eric and Mr. Man Ho Chuen as executive Directors, Ms. Chen Qiuju as non-executive Director, Mr. Ng Chun Chung and Mr. Lau Ka Leung 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 of the Company, 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 <http://www.hkgem.com> on the “Latest Listed Company Information” page for at least seven days from the day of its posting and on the website of the Company at <http://www.hk08108.com>.

* *for identification purpose only*