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GROUND PROPERTIES COMPANY LIMITED

廣澤地產有限公司

(Incorporated in Bermuda with limited liability)

(Stock code: 989)

SUPPLEMENTAL ANNOUNCEMENT

Reference is made to the profit warning announcement (the “**Announcement**”) of the Company (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 21 May 2014 where it was stated that based on the preliminary assessment of the unaudited consolidated management financial statements of the Group for the year ended 31 March 2014 (the “**Relevant Accounting Period**”), the Group is expected to record a loss as compared with a profit for the corresponding period in 2013 due to, among others, (i) the increase in legal and professional fees incurred for the notifiable transactions during the Relevant Accounting Period; (ii) the fact that no more revenue and profit were generated from the mobile communications services business which was disposed of in March 2013; and (iii) the decrease in fair value gains of the investment properties of the Group during the Relevant Accounting Period.

The Company would like to further disclose that (i) the increase in legal and professional fees incurred for the notifiable transactions during the Relevant Accounting Period was approximately HK\$9.5 million; and (ii) the fair value gains of investment properties of the Group during the Relevant Accounting Period would decrease to approximately HK\$11 million from approximately HK\$79 million for the year ended 31 March 2013, representing a decrease of approximately 86.08%.

The Company would like to remind the shareholders of the Company and potential investors that the information contained in this announcement is only based on the preliminary assessment made by the board of directors of the Company with reference to the unaudited consolidated management financial statements of the Group for the Relevant Accounting Period, a draft valuation report prepared by an independent professional valuer which is yet to be finalised, and information currently available, and such information has not been audited or reviewed by the Company’s auditors. Shareholders of the Company and potential investors are advised to read carefully the final results of the Group for the Relevant Accounting Period, which is expected to be published by June 2014.

The shareholders of the Company and potential investors are advised to exercise caution when dealing in the securities of the Company.

By order of the Board
Ground Properties Company Limited
Chai Xiu
Chairman

Hong Kong, 28 May 2014

As at the date hereof, the executive Directors are Ms. Chai Xiu, Mr. Chen Luhui and Mr. Cong Hongsong, the non-executive Director is Mr. Ting Pang Wan, Raymond and the independent non-executive Directors are Mr. Chan Yuk Tong, Mr. Mei Jianping and Ms. Nie Meisheng.