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GROUND INTERNATIONAL DEVELOPMENT LIMITED

廣澤國際發展有限公司

(Incorporated in Bermuda with limited liability)
(Stock Code: 989)

PROPOSED CHANGE OF AUDITORS

The Board announces that, subject to the passing of the relevant resolutions at the SGM, E&Y shall be removed as the auditors of the Company and Mazars shall be appointed as the new auditors of the Company to fill the vacancy arising from the removal of E&Y and hold office until the conclusion of the next annual general meeting of the Company.

The SGM will be convened and held for the purposes of considering and, if thought fit, approving the Proposed Removal and the Proposed Appointment. A circular containing, among other matters, further information on the Proposed Removal and the Proposed Appointment, together with a notice convening the SGM, is expected to be dispatched to the Shareholders on or before 3 May 2019.

INTRODUCTION

This announcement is made by Ground International Development Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.51(4) of the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The board (the “**Board**”) of directors (each a “**Director**”) of the Company hereby announces that, subject to the passing of the relevant resolutions at a special general meeting of the Company (the “**SGM**”) to be convened and held, Ernst & Young (“**E&Y**”) shall be removed as the auditors of the Company (the “**Proposed Removal**”) and Mazars CPA Limited (“**Mazars**”) shall be appointed as the new auditors of the Company (the “**Proposed Appointment**”) to fill the vacancy arising from the Proposed Removal and hold office until the conclusion of the next annual general meeting of the Company.

PROPOSED CHANGE OF AUDITORS

E&Y was re-appointed as auditors of the Company at the last annual general meeting of the Company held on 29 August 2018 to hold office until the conclusion of the next annual general meeting of the Company.

Mazars was the auditors of the Company from 2007 to February 2017, and also the reporting accountants of the Company for the acquisition of the entire issued share capital of Ka Yun Investments Limited, which (together with its subsidiaries) is principally engaged in the development, sale and leasing of residential, commercial and tourism properties and the provision of property management services in the People's Republic of China, which constituted a reverse takeover on the part of the Company, in 2016.

Whilst the Board (including members of the audit committee) has never doubted about the capability of and has always been satisfied with the professionalism and work quality of E&Y, after considering and having weighed the respective strengths of E&Y and Mazars in respect of, amongst other matters, the depth of their experience and familiarity with the Group's businesses and affairs, the Board (including the members of the audit committee) resolved to propose to remove E&Y as the auditors of the Company and to appoint Mazars as the new auditors of the Company.

The Company has received a letter from E&Y confirming that there are no matters in connection with the Proposed Removal that need to be brought to the attention of the members or creditors of the Company. The Board would also like to take this opportunity to express its sincere gratitude to E&Y for its professional and quality services rendered during the past years.

The Board, with the recommendation of the audit committee of the Company, further proposes to appoint Mazars as auditors of the Company to fill the vacancy arising from the Proposed Removal and hold office until the conclusion of the next annual general meeting of the Company. The Proposed Appointment of Mazars as auditors of the Company in place of E&Y is subject to the passing of an ordinary resolution at the SGM pursuant to the bye-laws (the "**Bye-law(s)**") of the Company.

The Directors are aware of the timeframe for the publication of the financial results of the Company as stipulated in the Listing Rules. With this regard, the Directors, the management of the Group and Mazars will work closely with each other in order to achieve the stipulated timeframe. Provided that the appointment of new auditors is approved at the SGM, against the background as aforementioned, the Directors expect and have obtained preliminary assurance from Mazars that the change of auditors of the Company will not affect the release of the annual results of the Company for the financial year ended 31 March 2019 in compliance with the Listing Rules.

IMPLICATIONS OF THE LISTING RULES

Pursuant to Bye-law 152(3), the Shareholders may, at any general meeting convened and held in accordance with the Bye-laws, by special resolution remove the auditor of the Company at any time before the expiration of its term of office and shall by ordinary resolution at that meeting appoint another auditor in its stead for the remainder of its term.

Pursuant to Rule 13.88 of the Listing Rules, (a) the Company must not remove its auditor before the end of the auditor's term of office without first obtaining Shareholders' approval at a general meeting; (b) the Company must send a circular proposing the removal of the auditor to the Shareholders with any written representations from the auditor not less than 10 business days before the general meeting; and (c) the Company must allow the auditor to attend the general meeting and make written and/or verbal representations to the Shareholders at the general meeting.

In compliance with the Bye-laws and the Listing Rules, the Proposed Removal will be proposed at the SGM as a special resolution and the Proposed Appointment will be proposed at the SGM as an ordinary resolution.

Accordingly, the Company will, at the time of dispatch of the circular containing, among other matters, further information on the Proposed Removal and the Proposed Appointment, together with a notice convening the SGM, to the Shareholders, also dispatch a copy to E&Y to invite them to attend the SGM to make written or verbal representations to the Shareholders at the SGM, if any.

The Board confirms that save as disclosed herein, there are no other matters in respect of the proposed change of auditors that need to be brought to the attention of the Shareholders.

THE SGM

The SGM will be convened and held for the purposes of considering and, if thought fit, approving the Proposed Removal and the Proposed Appointment. A circular containing, among other matters, further information on the Proposed Removal and the Proposed Appointment, together with a notice convening the SGM, is expected to be dispatched to the Shareholders on or before 3 May 2019.

By order of the Board
Ground International Development Limited
Cui Xintong
Chairperson

Hong Kong, 2 May 2019

As at the date of this announcement, the executive Directors are Ms. Cui Xintong and Ms. Liu Hongjian; the non-executive Director is Mr. Cong Peifeng; and the independent non-executive Directors are Mr. Zhu Zuoan, Mr. Wang Xiaochu and Mr. Tsang Hung Kei.