GROUND INTERNATIONAL DEVELOPMENT LIMITED

廣澤國際發展有限公司

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

PROFIT WARNING

This announcement is made by Ground International Development Limited (the "**Company**", together with its subsidiaries, the "**Group**") pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong).

The board of directors of the Company (the "Board") wishes to inform the shareholders (the "Shareholders") and potential investors of the Company that based on the preliminary assessment of the unaudited consolidated management accounts of the Group for the five months ended 31 August 2017 and the information currently available to the Board, it is expected that the Group may record a significant decrease of over 75% in its net profit for the six months ended 30 September 2017 (the "2017 Interim Period") as compared with that of approximately RMB97.7 million for the corresponding period ended 30 September 2016.

Although the Group's property project of Guangze Red House – Phase II is ready for delivery as of 30 September 2017, the local government authority has not yet issued the relevant completion certificate so that it does not reach the criteria for revenue recognition. The sales of properties for the 2017 Interim Period are generated from the remaining residential and commercial units of the property projects that were completed in the previous years. In addition, for the corresponding period ended 30 September 2016, the Group completed and delivered the property project of Guangze•Tudors Palace, which contributed property sales of approximately RMB516.0 million but there was no completion and delivery of property development projects during the 2017 Interim Period. As a result, the Group's revenue from the sales of properties recognised for the 2017 Interim Period is expected to be significantly affected which is expected to result in a decrease in net profit for the 2017 Interim Period. Notwithstanding, it is expected that the Group's two property projects, namely Guangze Red House – Phase II and Wansheng•Qiancheng International will be completed and delivered during the second half of the financial year ending 31 March 2018, of which the contracted sales were no less than RMB500.0 million and RMB130.0 million respectively as of 30 September 2017.

The information contained in this announcement is only based on the Board's preliminary assessment of the information currently available to the Board as at the date hereof. Details of the financial performance of the Group will be disclosed in the Company's interim results announcement for the six months ended 30 September 2017, which is expected to be published by the end of November 2017.

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

By order of the Board
Ground International Development Limited
Chai Xiu
Chairperson

Hong Kong, 6 October 2017

As at the date of this announcement, the Executive Directors of the Company are Ms. Chai Xiu, Ms. Cui Xintong, Mr. Wang Guanghui and Mr. Huang Bingxing; and the Independent Non-executive Directors of the Company are Mr. Chan Yuk Tong, Mr. Mei Jianping and Mr. Xiang Qiang.