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 a preliminary assessment of the unaudited consolidated management accounts of the Group for the five months ended 31 August 2020 and the latest information currently available, the Group is expected to record a significant increase in consolidated loss attributable to owners of the Company for the six months ending 30 September 2020 (''**2020 Interim Period**'') as compared to the unaudited consolidated loss attributable to owners of the Company of approximately RMB439.5 million for the six months ended 30 September 2019 (''**2019 Interim Period**''), which is principally due to a further increase in write-downs of certain properties under development for the 2020 Interim Period.

As stated in the annual report of the Company for the year ended 31 March 2020, given that there had been an unfavourable change in the operating environment in the surrounding area in Fusong County; and the project involves intensive capital and a long payback period, the Group's management was looking for a suitable business partner or the local government for divestment. Up to the date of this announcement, the management had held various discussions with the local government of Changbaishan District, Fusong County ("**Fusong Government**") for a possible buy back of the undeveloped land parcels ("**Fusong Undeveloped Land**") of the Group's property project, namely Changbaishan Guangze Pine Township International Resort ("**Fusong Property Project**"). During the 2020 Interim Period, the Group's management continued to negotiate with Fusong Government regarding such matter.

On 21 September 2020, the Group received a letter ("**Letter**") from Fusong Government. As stated in the Letter, various departments within Fusong Government had meetings in August 2020 to discuss the buy back of the Fusong Undeveloped Land and were working on the timetable of the buy back. As at the date of this announcement, no concrete timetable has been set for the buy back. Furthermore, it was also mentioned in the Letter that the Fusong Government have only taken into consideration of the original land acquisition price in determining the buy back consideration while other costs and expenditure previously incurred by the Group would not be accounted for for the time being. Accordingly, the management expects that the preliminary estimated buy back consideration, that will be payable by the Fusong Government, will be no higher than the original acquisition price of the Fusong Undeveloped Land, which is approximately RMB312.4 million. Based on the above, the Group's management has re-assessed the net realizable value of the Fusong Property Project; and considered that a further write-down of the properties under development of approximately RMB470.0 million will be required to be made for the 2020 Interim Period. This will lead to a significant consolidated loss attributable to the owners of the Company for the 2020 Interim Period as compared to that for the 2019 Interim Period.

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 2020 Interim Period, which is expected to be published by the end of November 2020.

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

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

Hong Kong, 25 September 2020

As at the date of this announcement, the Executive Directors are Ms. Cui Xintong, Ms. Ji Ping and Mr. Li Junjie; Non-executive Director is Mr. Cong Peifeng; and the Independent Non-executive Directors are Mr. Tsang Hung Kei, Mr. Zhu Zuoan and Mr. Wang Xiaochu.