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**GROUND  
INTERNATIONAL  
廣澤國際**

## **GROUND INTERNATIONAL DEVELOPMENT LIMITED**

**廣澤國際發展有限公司**

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

### **DISCLOSEABLE TRANSACTIONS - PROVISION OF GUARANTEE SERVICES**

#### **PROVISION OF GUARANTEE SERVICES**

On 29 March 2019, 28 November 2019 and 17 March 2020, FR Guarantee, an indirect wholly owned subsidiary of the Company, into the Guarantee Agreements A with each of the Customers A pursuant to which FR Guarantee has agreed to provide a guarantee to the Bank in connection with each of the Customers A's obligations under each of the Loan Agreements A entered into between the Bank and each of the Customers A.

In consideration of FR Guarantee entering into the Guarantee Agreements A, each of the Customers A has procured the provision of securities in favour of FR Guarantee, among which includes (i) for the Customer A1, a pledge of 14,000,000 shares in Changbaishan Rural Commercial Bank Limited; (ii) for the Customer A2, a pledge of 1,400,000 shares in Changbaishan Rural Commercial Bank Limited; (iii) for the Customer A3, a pledge of 1,650,000 shares Changbaishan Rural Commercial Bank Limited, all of which are owned by Customer A3 To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the values of the securities exceed the guaranteed obligations of FR Guarantee under each of the Guarantee Agreements A.

FR Guarantee has charged (i) for the Customer A1, a guarantee fee of RMB270,000 (equivalent to approximately HK\$299,700) (i.e. 3% of the principal amount of RMB9,000,000 out of the entire loan amount of RMB42,000,000 under the Loan Agreement A1); (ii) for the Customer A2, a guarantee fee of RMB98,000 (equivalent to approximately HK\$108,780) (i.e. 2.3% of the principal amount of RMB4,200,000 under the Loan Agreement A2); and (iii) for the Customer A3, a guarantee fee of RMB150,000 (equivalent to approximately HK\$166,500) (i.e. 3% of the principal amount of RMB5,000,000 under the Loan Agreement A3). All the rates are on normal commercial terms and in the ordinary and usual course of business of FR Guarantee. The total guarantee fees under the Guarantee Agreements A aggregate to RMB518,000 (equivalent to approximately HK\$574,980).

### **Listing Rules Implications**

As the applicable percentage ratios (as defined under the Listing Rules) in respect of each of the Guarantee Agreements A on a standalone basis, are all below 5%, the provision of the guarantee service under each of the Guarantee Agreements A is not subject to the disclosure requirement under the Listing Rules.

Since the Customer A1 and the Customer A2 are both wholly owned subsidiaries of Customer A3, all of Customers A are considered to be connected or associated with each other. Pursuant to Rule 14.22 of the Listing Rules, the transactions contemplated under each of the Guarantee Agreements A shall be aggregated and together with transactions contemplated under the Guarantee Agreements A for the purposes of compliance with Chapter 14 of the Listing Rules. As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Guarantee Agreements A on an aggregate basis exceed 5% but all are less than 25%, the entering into of the Guarantee Agreements A and the transactions contemplated thereunder constitute a discloseable transaction of the Company and are therefore subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

### **PROVISION OF GUARANTEE SERVICES**

On 29 March 2019, 28 November 2019 and 17 March 2020, FR Guarantee, an indirect wholly owned subsidiary of the Company, into the Guarantee Agreements A with each of the Customers A pursuant to which FR Guarantee has agreed to provide a guarantee to the Bank in connection with each of the customers' obligations under each of the Loan Agreements A entered into between the Bank and each of the Customers A.

The salient terms of the Guarantee Agreements A are summarised as below:

Guarantee Agreement	:	Guarantee Agreement A1	Guarantee Agreement A2	Guarantee Agreement A3
Date	:	29 March 2019	28 November 2019	17 March 2020
Guarantor	:	FR Guarantee		
Principal and the borrower	:	Customer A1	Customer A2	Customer A3
Loan period	:	three years	28 months	three years
Term	:	The guarantee obligation shall continue until two years from the final repayment date of each of Loan Agreements A. If the loan agreement is extended or the amounts owed by the customer under the loan agreement are declared due and repayable in advance of the expiry date, the guarantee obligation shall continue until two years from the relevant extended date/final repayment date. In case of repayment by instalments, continue until two years from the repayment date of the final tranche.		
Guaranteed obligations	:	FR Guarantee shall guarantee each of the Customers A's obligations under each of the Loan Agreements A, including the respective principal amount, interest (including compound interest and default interest), penalty, damages, fees and etc.		

In consideration of FR Guarantee entering into the Guarantee Agreements A, each of the Customers A has procured the provision of securities in favour of FR Guarantee, among which includes (i) for the Customer A1, a pledge of 14,000,000 shares in Changbaishan Rural Commercial Bank Limited; (ii) for the Customer A2, a pledge of 1,400,000 shares in Changbaishan Rural Commercial Bank Limited; (iii) for the Customer A3, a pledge of 1,650,000 shares in Changbaishan Rural Commercial Bank Limited, all of which are owned by Customer A3. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the values of securities exceed the guaranteed obligations of FR Guarantee under each of the Guarantee Agreements A.

FR Guarantee has charged (i) for the Customer A1, a guarantee fee of RMB270,000 (equivalent to approximately HK\$299,700) (i.e. 3% of the principal amount of RMB9,000,000 out of the entire loan amount of RMB42,000,000 under the Loan Agreement A1); (ii) for the Customer A2, a guarantee fee of RMB98,000 (equivalent to approximately HK\$108,780) (i.e. 2.3% of the principal amount of RMB4,200,000 under the Loan Agreement A2); and (iii) for the Customer A3, a guarantee fee of RMB150,000 (equivalent to approximately HK\$166,500) (i.e. 3% of the principal amount of RMB5,000,000 under the Loan Agreement A3). All the rates are on normal commercial terms and in the ordinary and usual course of business of FR Guarantee. The total guarantee fees under the Guarantee Agreements A aggregate to RMB518,000 (equivalent to approximately HK\$574,980).

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the Customer A1, the Customer A2 and the Customer A3, the Bank and each of their respective ultimate beneficial owner(s) are third parties independent of the Company and its connected persons.

## **REASONS FOR AND BENEFITS OF THE TRANSACTIONS**

FR Guarantee, an indirect wholly-owned subsidiary of the Company, is a licensed guaranty company in Jilin Province, the PRC, and is principally engaged in the provision of guarantee services to its customers. All the terms under each of the Guarantee Agreements A were separately negotiated on an arm's length basis between FR Guarantee and each of the Customers A.

In addition, it is a normal practice that the Bank requires the guaranty company to make a cash deposit pledged for the provision of the guarantee service; nevertheless for the provision of the guarantee services under the Guarantee Agreements A, the Bank has waived such requirement to FR Guarantee.

Taking into account that it is in FR Guarantee's ordinary course of business to provide the guarantee service and the guarantee fee income and the related cash inflow generated for the Group arising from these guarantee agreements, the Directors are of the opinion that all these guarantee agreements were entered into on normal commercial terms based on the FR Guarantee's credit policy and the terms are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

## **GENERAL**

### **Information relating to the Company and FR Guarantee**

The Company is an investment holding company. The Group is principally engaged in property development and management, including planning, design, budgeting, licensing, contract tendering and contract administration, property investment, and provision of financial services.

FR Guarantee is a company established in the PRC and is an indirect wholly owned subsidiary of the Company. The principal activity of FR Guarantee is the provision of guarantee services.

### **Information relating to the Customers A**

The Customer A1 is an entity established in the PRC, which is principally engaged in highway maintenance, regeneration of road building materials; sales of road building materials.

The Customer A2 is an entity established in the PRC, which is principally highway and bridge construction, highway major and intermediate repair projects, maintenance projects, municipal engineering construction, highway greening and beautification, and highway maintenance.

The Customer A3 is an entity established in the PRC, which is principally engaged in highway and bridge engineering; highway major and intermediate repair engineering; highway maintenance engineering; highway maintenance, all kinds of construction materials (except wood), sales of highway engineering machinery and accessories, engineering machinery maintenance, manufacturing and after-sales service; leasing of engineering machinery intermediary services, research and development of and promotion of agricultural planting technologies, crop planting and sales, freshwater aquaculture and sales, agricultural park tourism, fertilizer production and sales, landscaping projects, house construction projects, road transport and municipal common construction.

The ultimate beneficial owners of the Customers A are Wang Zhishan, Zhang Jishan, Wang Zhirong, Wang Xuefeng, Wang Zhilong, Yan Shuwu, Guo Hongzhi, Zhang Jun, Wu Baoguo, Liu Aimin, Yue Liming, Tang Guilin, Wang Haiwen, Jiang Yongheng, Wu Deyin, Gao Xijun, Zhang Zimin, Tong Wenqing, Gao Shuchen, Jiang Jun, Zheng Hongzhong, Li Minghong, Shi Dawei, Sun Liguang, Liu Yongfu, Ci Zhongshu, Zhao Dacheng, Zhang Guoqing, Pan Kecheng, Yang Baojun, Wang Zhongyan, Sun Yukui, Chen Jingzhi, Zhang Xiaoguang, Xiu Fujin, Yun Qingfen, Han Xuesong, Chen Zhong and Li Naikun, all of which are PRC individuals.

### **LISTING RULES IMPLICATIONS**

As the applicable percentage ratios (as defined under the Listing Rules) in respect of each of the Guarantee Agreements A on a standalone basis, are all below 5%, the provision of the guarantee service under each of the Guarantee Agreements A is not subject to the disclosure requirement under the Listing Rules.

Since the Customer A1 and the Customer A2 are wholly owned subsidiaries of Customer A3, all of Customers A are considered to be connected or associated with each other. Pursuant to Rule 14.22 of the Listing Rules, the transactions contemplated under each of the Guarantee Agreements A shall be aggregated and together with transactions contemplated under the Guarantee Agreements A for the purposes of compliance with Chapter 14 of the Listing Rules. As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Guarantee Agreements A on an aggregate basis exceed 5% but all are less than 25%, the entering into of the Guarantee Agreements A and the transactions contemplated thereunder constitute a discloseable transaction of the Company and are therefore subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

## DEFINITIONS

Unless the context otherwise requires, the following expressions have the following meanings in this announcement:

“Bank”	Changchun branch of Jilin Jiutai Rural Commercial Bank Corporation Limited (“Jilin Jiutai Bank”, stock code: 6122), which is a licensed bank under the PRC laws, the H shares of which are listed on the Stock Exchange
“Board”	the board of Directors
“Company”	Ground International Development Limited, a company incorporated in Bermuda with limited liabilities whose ordinary shares are listed on the Main Board of the Stock Exchange
“Customer A1”	九台區嘉鵬再生材料有限公司 (Jiutai District Jiapeng Renewable Materials Co., Ltd.*) an entity established in the PRC which is a third party independent of the Company and its connected persons
“Customer A2”	吉林嘉鵬公路養護有限公司 (Jilin Jiapeng Highway Maintenance Co., Ltd.*) an entity established in the PRC which is a third party independent of the Company and its connected persons
“Customer A3”	吉林省嘉鵬集團有限公司 (Jilin Province Jiapeng Group Co., Ltd.*) an entity established in the PRC which is a third party independent of the Company and its connected persons
“Customers A”	collectively, the Customer A1, the Customer A2 and the Customer A3
“Directors”	the directors of the Company
“FR Guarantee”	吉林省豐潤融資擔保有限公司 (Jilin Province Fengrun Financing Guaranty Company Limited*), a company established under the laws of the PRC and an indirect wholly owned subsidiary of the Company
“Group”	the Company and its subsidiaries
“Guarantee Agreement A1”	the corporate guarantee agreement dated 29 March 2019 entered into between FR Guarantee (as guarantor) and the Customer A1 (as borrower), in relation to the provision of guarantee service in respect of the loan amount of RMB9,000,000 out of the entire principal amount of RMB42,000,000 under the Loan Agreement A1
“Guarantee Agreement A2”	the corporate guarantee agreement dated 28 November 2019 entered into between FR Guarantee (as guarantor) and the Customer A2 (as borrower), in relation to the provision of guarantee service in respect of the loan amount of RMB4,200,000 under the Loan Agreement A2
“Guarantee Agreement A3”	the corporate guarantee agreement dated 17 March 2020 entered into between FR Guarantee (as guarantor) and the Customer A3 (as borrower), in relation to the provision of guarantee service in respect of the loan amount of RMB5,000,000 under the Loan Agreement A3

“Guarantee Agreements A”	collectively, the Guarantee Agreement A1, the Guarantee Agreement A2 and the Guarantee Agreement A3
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Loan Agreement A1”	loan agreement dated 29 March 2019 in the principal amount of RMB42,000,000 entered into between the Customer A1 as borrower and the Bank as lender
“Loan Agreement A2”	loan agreement dated 28 November 2019 in the principal amount of RMB4,200,000 entered into between the Customer A2 as borrower and the Bank as lender
“Loan Agreement A3”	loan agreement dated 2 March 2020 in the principal amount of RMB5,000,000 entered into between the Customer A3 as borrower and the Bank as lender
“Loan Agreements A”	collectively, the Loan Agreement A1, the Loan Agreement A2 and the Loan Agreement A3
“Percentage Ratios”	the percentage ratios under Rule 14.07 of the Listing Rules
“PRC”	the People’s Republic of China, which for the purpose of this announcement excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	ordinary share(s) in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

*For the purpose of this announcement, unless otherwise indicated, conversion of RMB into HK\$ is calculated at the approximate exchange rate of RMB1.00 to HK\$1.11. This exchange rate is adopted for illustration purpose only and does not constitute a representation that any amounts have been, could have been, or may be, exchanged at this rate or any other rate at all.*

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

Hong Kong, 17 March 2020

*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. Tsang Hung Kei, Mr. Zhu Zuoan and Mr. Wang Xiaochu.*

*\*For identification only*