

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



**GROUND
INTERNATIONAL
广泽国际**

GROUND INTERNATIONAL DEVELOPMENT LIMITED

廣澤國際發展有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 989)

CLARIFICATION ANNOUNCEMENT - DISCLOSEABLE AND CONNECTED TRANSACTIONS IN RELATION TO THE DISPOSAL OF ENTIRE EQUITY INTEREST IN A TARGET COMPANY

Reference is made to the announcement (the “**Announcement**”) of Ground International Development Limited (the “**Company**”) dated 26 February 2021 in relation to, among other things, the disposal of entire equity interest in a Target Company. Capitalised terms used herein shall have the same meaning as those defined in the Announcement unless the context requires otherwise.

The Board would like to clarify that, after the Announcement was published, the Company was in the process of preparing a supplemental announcement on disclosing the identity of the ultimate beneficial owner of the Purchaser, and during which Ms. Cui Xintong (“**Ms. Cui**”), being the Chairperson of the Board, an executive Director and a controlling shareholder, conducted a further scrutiny of her family relationship structure for the sake of prudence, and it was learned that the ultimate beneficial owner of the Purchaser, namely Mr. Dou Jinlong, is a relative (as defined under the Listing Rules) of Ms. Cui, and Ms. Cui thereafter immediately informed the Company of the same. Upon seeking professional advice, the Company noted and accepted that the Purchaser was a deemed connected person of the Company under Rule 14A.21 of the Listing Rules. As a result, the Disposal would also constitute a connected transaction of the Company under Chapter 14A of the Listing Rules.

Notwithstanding the clarification set out above, (i) the terms of the Agreement remain the same; (ii) all the major terms and conditions of the Agreement and the Disposal have already been fully disclosed in the Announcement; and (iii) all other information in the Announcement remains unchanged. The Company confirms that the terms of the Agreement was negotiated on an arm’s length basis.

As one or more of the applicable percentage ratios calculated under Rule 14.07 of the Listing Rules in respect of the Disposal exceed 5% but none of them exceeds 25%; and as the Consideration does not exceed HK\$10 million, the Disposal is a de minimis connected transaction of the Company and is subject to the reporting and announcement requirements but is exempt from the circular (including independent financial advice) and independent shareholders’ approval requirements under Rule 14A.76 of the Listing Rules.

Ms. Cui should be considered to have a material interest in the Disposal and would have to abstain from voting at the meeting of the Board to approve the Agreement and the transactions contemplated thereunder. Nevertheless, by excluding her vote, the Agreement and the transactions contemplated thereunder would still have been approved as the other disinterested Directors had casted unanimous votes for the Disposal. Despite the Disposal constitutes a connected transaction of the Company, the other Directors (including the independent non-executive Directors) consider that the terms of the Disposal are fair and reasonable, and the Disposal is made on normal commercial terms and in the ordinary and usual course of business of the Group, and in the interests of the Company and its shareholders as a whole.

To avoid occurrence of similar situation in the future, the Company would adopt the following measures:

1. The Company will update the list of connected persons of the Company to cover deemed connected persons of the Company; and arrange for further training to the Directors and its management team to reinforce their understanding of and how to comply with the relevant requirements of the Listing Rules.
2. The Directors have requested the management that all future potential notifiable transactions must be approved by the Company's two executive Directors, being Ms. Cui Xintong and Mr. Cong Peifeng prior to the formal approval by the Board and the entering into of the relevant agreements (and in the event that any of Ms. Cui Xintong and Mr. Cong Peifeng has interest in the notifiable transactions, the notifiable transactions must be approved by one of them who does not have interest in the proposed transactions, together with one of the other executive Directors, Mr. Xu Yingchuan or Mr. Li Junjie instead).
3. The Company will require all Directors to sign a declaration to confirm the independence of the counter-parties and their respective ultimate beneficial owners prior to the entering of future notifiable transactions.

The Directors undertake to avoid the occurrence of similar situation in the future.

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

Hong Kong, 15 March 2021

As at the date of this announcement, the executive Directors are Ms. Cui Xintong, Mr. Li Junjie, Mr. Cong Peifeng and Mr. Xu Yingchuan and the independent non-executive Directors are Mr. Tsang Hung Kei, Mr. Zhu Zuoan and Mr. Wang Xiaochu.