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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)**

**(I) PLACING OF NEW SHARES  
UNDER GENERAL MANDATE; AND  
(II) CONVERSION OF CONVERTIBLE PREFERENCE SHARES BY  
THE CONTROLLING SHAREHOLDER**

**Placing Agent**

**FOSUN HANI**  
**复星恒利**

**(I) PLACING OF NEW SHARES UNDER GENERAL MANDATE**

On 16 March 2021 (after trading hours of the Stock Exchange), the Company entered into the Placing Agreement with the Placing Agent, pursuant to which the Company has conditionally agreed to place, through the Placing Agent, up to an aggregate of 290,885,000 Placing Shares at a Placing Price of HK\$0.35 per Placing Share on a best effort basis to not less than six Placees who are professional, institutional, or other investors that are third parties independent of the Company and its connected persons. The Placing Shares will be allotted and issued pursuant to the General Mandate.

The Placing Shares represent (i) approximately 4.79% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 4.57% of the issued share capital of the Company as enlarged by the Placing. Assuming all 290,885,000 Placing Shares are successfully placed by the Placing Agent, the aggregate nominal value of the Placing Shares will be approximately HK\$14,544,250. Please also refer to the section headed “Effect of the Shareholding Structure of the Company” below for more information on the possible shareholding changes of the Company.

The Placing Price of HK\$0.35 represents (i) a discount of approximately 15.66% to the closing price of HK\$0.415 per Share quoted on the Stock Exchange on 16 March 2021, being the date of the Placing Agreement; (ii) a discount of approximately 15.87% to the average closing price of HK\$0.416 per Share quoted on the Stock Exchange of the five consecutive trading days immediately before the Placing Agreement.

**Shareholders and potential investors should note that completion of the Placing is subject to the fulfilment of the conditions precedent stated in the Placing Agreement. As such, the Placing may or may not proceed. Shareholders and potential investors are therefore urged to exercise caution when dealing in the Shares and other securities of the Company.**

## **(II) CONVERSION OF CONVERTIBLE PREFERENCE SHARES BY CONTROLLING SHAREHOLDER**

On 16 March 2021, the Company has received from Ka Yik a conversion notice to convert 400,000,000 Convertible Preference Shares into 400,000,000 Conversion Shares pursuant to the terms and conditions of the Convertible Preference Shares.

## **(I) PLACING OF NEW SHARES UNDER GENERAL MANDATE**

On 16 March 2021 (after trading hours of the Stock Exchange), the Company entered into the Placing Agreement with the Placing Agent, pursuant to which the Company has conditionally agreed to place, through the Placing Agent, up to an aggregate of 290,885,000 Placing Shares at a Placing Price of HK\$0.35 per Placing Share on a best effort basis to not less than six Placees who are professional, institutional, or other investors that are third parties independent of the Company and its connected persons. The Placing Shares will be allotted and issued pursuant to the General Mandate.

### **The Placing Agreement**

Date: 16 March 2021

Parties: (i) the Company (as issuer); and  
(ii) Fosun Hani Securities Limited (as the Placing Agent).

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, the Placing Agent and its ultimate beneficial owner(s) are Independent Third Parties.

### **The Placing and Commission**

The Placing Agent has conditionally agreed to place up to an aggregate of 290,885,000 Placing Shares on a best effort basis to not less than six Placees. In consideration thereof, the Placing Agent will receive a placing commission of 2.0% of the aggregate consideration of the number of Placing Shares actually placed by the Placing Agent under the Placing.

The placing commission in respect of the Placing was negotiated on arm's length basis between the Company and the Placing Agent and was determined with reference to, among other things, the prevailing market rates charged by other placing agents and the price performance of the Shares.

### **The Placees**

The Placing Agent will place the Placing Shares to not less than six Placees who shall be any person or entity, who is professional, institutional or other investors, who and whose ultimate beneficial owners are Independent Third Parties. It is expected that none of the Placees will become a substantial Shareholder immediately after the Placing.

### **Placing Shares**

The Placing Shares represent (i) approximately 4.79% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 4.57% of the issued share capital of the Company as enlarged by the Placing (assuming no other Shares were issued upon completion of the Placing. Please also refer to the section headed "Effect of the Shareholding Structure of the Company" below for more information on the possible shareholding changes of the Company taking into account of the CPS Conversion as detailed below.

Assuming all 290,885,000 Placing Shares are successfully placed by the Placing Agent, the aggregate nominal value of the Placing Shares will be approximately HK\$14,544,250.

### **Placing Price**

The Placing Price of HK\$0.35 per Placing Share represents:

- (i) a discount of approximately 15.66% to the closing price of HK\$0.415 per Share as quoted on the Stock Exchange on 16 March 2021, being the date of the Placing Agreement; and
- (ii) a discount of approximately 15.87% to the average closing price of approximately HK\$0.416 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the date of the Placing Agreement.

The net subscription price, after deduction of all relevant costs and expenses (including but not limited to placing commission, legal expenses and disbursements) incidental to the Placing of approximately HK\$2.1 million, is estimated to be approximately HK\$0.3427 per Placing Share.

The Placing Price was arrived at after arm's length negotiations between the Company and the Placing Agent with reference to the prevailing market price and the recent trading performance of the Shares. The Directors consider that the Placing Price and the terms of the Placing Agreement are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

## **Conditions precedent to completion of the Placing Agreement**

Completion of the Placing Agreement is subject to the fulfilment of the following conditions:

- (a) there shall not have occurred any breach or any event render untrue or inaccurate, any of the representations, warranties or undertakings under the Placing Agreement;
- (b) listing of and permission to deal in all the Placing Shares being granted (subject only to allotment) by the Listing Committee of the Stock Exchange in principle and dealings of the Placing Shares being allowed by the Stock Exchange (and such listing and permission not subsequently being revoked);
- (c) no relevant government, governmental, quasi-governmental, statutory or regulatory body, court or agency having granted any order or made any decision that would make the Placing void, unenforceable or illegal, or restrict or prohibit the implementation of, or impose any additional material conditions or obligations with respect to the Placing (other than such orders or decisions as would not have a material adverse effect on the legal ability of the Company to proceed with the Placing); and
- (d) the Placing Agreement not being terminated pursuant to the terms thereof below.

In the event that the conditions precedent to completion of the Placing are not fulfilled on or before 30 March 2021 (or such other date as may be agreed between the parties to the Placing Agreement), the Placing Agreement shall cease and determine (save for those provisions dealing with termination, fees, announcement, notices and governing law and jurisdiction which shall survive termination) and neither the Company and the Placing Agent shall have any obligations and liabilities under the Placing Agreement (save for any liabilities arising out of any antecedent breaches).

## **Completion of the Placing**

Completion of the Placing will take place at 4:00 p.m. on the fourth Business Days after all conditions precedent to completion of the Placing are fulfilled (or such other time and date as may be agreed between the parties to the Placing Agreement).

## **Ranking of the Placing Shares**

The Placing Shares, when allotted and issued, will rank *pari passu* in all respects among themselves and with the Shares in issue on the date of allotment and issue of the Placing Shares.

## **General Mandate to issue the Placing Shares**

The Placing Shares will be allotted and issued pursuant to the General Mandate. The maximum number of Shares that can be issued under the General Mandate is 1,054,680,173 Shares. As at the date of this announcement, the Company has not allotted and issued any Shares pursuant to the General Mandate and the General Mandate is sufficient for the allotment and issue of all the Placing Shares. As such, the issue of the Placing Shares is not subject to further Shareholders' approval. The General Mandate will be utilised as to approximately 27.58% upon the allotment and issue of all the Placing Shares.

## **Termination of the Placing Agreement**

Pursuant to the Placing Agreement, either party to the Placing Agreement is entitled to terminate the Placing Agreement by notice in writing to the other prior to the date of Completion:

- (i) that any statement contained in this announcement was, when this announcement was issued, or has become, untrue, incorrect or misleading in any respect; or
- (ii) any matter has arisen or has been discovered which would, had it arisen or been discovered immediately before the date of this announcement, constitute an omission therefrom; or
- (iii) any material breach of the undertakings, warranties and representations; or
- (iv) any material breach of any of the obligations imposed upon any Party to the Placing Agreement; or
- (v) any of the undertakings, warranties and representations given by either Party in the Placing Agreement would be untrue or inaccurate or misleading in any material respect if given at that time; or
- (vi) any adverse change in the business or in the financial or trading position or prospects of any member of the Group taken as a whole which is material in the context of the Placing; or

Moreover, the Placing Agent may terminate the Placing Agreement if there develops, occurs, or comes into effect any of the following events, that in its sole and absolute opinion, the success of the Placing would be materially and adversely affected:

- (i) any event, development or change (whether or not local, national or international or forming part of a series of events, developments or changes occurring or continuing before, on and/or after the date of the Placing Agreement) and including an event or change in relation to or a development of an existing state of affairs of a political, military, industrial, financial, economic, fiscal, regulatory or other nature, whether or not sui generis with any of the foregoing, resulting in a material adverse change in, or which might be expected to result in a material adverse change in, political, economic, fiscal, financial, regulatory or stock market conditions; or
- (ii) the imposition of any moratorium, suspension or material restriction on trading in securities generally on the Stock Exchange occurring due to exceptional financial circumstances or otherwise; or
- (iii) any change in conditions of local, national or international securities markets; or
- (iv) any new law or regulation or change in existing laws or regulations or any change in the interpretation or application thereof by any court or other competent authority in Hong Kong or the PRC that would materially and adversely affect the business or financial prospects of the Group and/or prejudice the success of the Placing; or

- (v) a change or development occurs involving a prospective change of taxation or exchange control (or the implementation of exchange control) in Hong Kong or the PRC; or
- (vi) any litigation or claim of material importance of any third party being instigated against any member of the Group, which has or may have a material adverse effect on the business or financial prospects of the Group.

The Directors are not aware of the occurrence of any of the above events as at the date of this announcement.

### **Application for listing**

An application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Placing Shares.

### **REASONS FOR AND BENEFITS OF THE PLACING AND USE OF PROCEEDS**

The Group is principally engaged in property development and management, including planning, design, budgeting, licensing, contract tendering and contract administration and property investment.

Assuming all the Placing Shares are fully subscribed, the gross proceeds from the Placing will be HK\$101.8 million. The net proceeds, after deducting all relevant costs and expenses (including but not limited to placing commission, legal expenses and disbursements) incidental to the Placing of approximately HK\$2.1 million, are estimated to be approximately HK\$99.7 million, representing a net price of approximately HK\$0.3427 per Placing Share.

The Company intends to use the net proceeds from the Placing as follows:

- (i) as to approximately HK\$59.8 million, representing approximately 60% of the net proceeds from the Placing, for settlement of the costs and expenses of the Group's existing property projects;
- (ii) as to approximately HK\$29.9 million, representing approximately 30% of the net proceeds from the Placing, for the settlement of the Group's finance costs, such as interest on bank loans and other loan; and
- (iii) as to approximately HK\$10.0 million, representing approximately 10% of the net proceeds from the Placing, for the settlement of the Group's administrative and operation expenses, such as salaries and professional fees.

The Company intended to raise additional funds for settlement of the costs and expenses of the Group's projects, finance costs and operating costs. The Directors consider that the Placing represent opportunities to raise additional funding for the business operations of the Group without increasing the level of bank loan and/or other borrowings and relevant finance costs, and will thereby strengthen the financial position (in particular the gearing ratio) of the Group and liquidity of the Group and will provide working capital to the Group to meet its financial obligations and/or projects and business development needs.

The Directors consider that the Placing Agreement is entered into upon normal commercial terms following arm's length negotiations between the Company and the Placing Agent and the terms of the Placing Agreement (including the Placing Price) are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

## **(II) CONVERSION OF CONVERTIBLE PREFERENCE SHARES BY CONTROLLING SHAREHOLDER**

On 16 March 2021, the Company has received from Ka Yik a conversion notice to convert 400,000,000 Convertible Preference Shares into 400,000,000 Conversion Shares pursuant to the existing terms and conditions of the Convertible Preference Shares. The 400,000,000 Conversion Shares represents (i) approximately 6.59% of the existing issued share capital of the Company; and (ii) approximately 6.18% of the issued share capital of the Company as enlarged by the CPS Conversion. The Conversion Shares are expected to be allotted and issued on or about 26 March 2021 pursuant to the terms of the Convertible Preference Shares.

Immediately after the CPS Conversion, Ka Yik will have 439,352,941 Convertible Preference Shares remained outstanding which shall entitle the holders thereof to convert into 439,352,941 new Shares upon exercising of the conversion rights attaching thereto.

For the avoidance of doubt, the CPS Conversion is independent of the Placing, and the Placing and the CPS Conversion are not conditional upon each other. The CPS Conversion is disclosed herein to give a better illustration of the possible changes of the shareholding of the Company upon completion of the Placing and the CPS Conversion.

## **EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY**

The effect on the shareholding structure of the Company as a result of the Placing and the CPS Conversion are as follows:

	As at the date of this announcement		Immediately after completion of the CPS Conversion		Immediately after completion of the CPS Conversion and the Placing (assuming all the Placing Shares are fully placed)	
	No. of Shares	Approximate %	No. of Shares	Approximate %	No. of Shares	Approximate %
Ka Yik	2,825,427,430	46.52%	3,225,427,430	49.83%	3,225,427,430	47.69%
Charm Success	434,320,694	7.15%	434,320,694	6.71%	434,320,694	6.42%
	3,259,748,124	53.67%	3,659,748,124	56.54%	3,659,748,124	54.11%
Hong Kong Toprich Investment Limited	1,050,000,000	17.29%	1,050,000,000	16.22%	1,050,000,000	15.52%
	4,309,748,124	70.96%	4,709,748,124	72.76%	4,709,748,124	69.63%
<b>Public shareholders</b>						
The Placees	-	-	-	-	290,885,000	4.30%
Other public Shareholders	1,763,652,743	29.04%	1,763,652,743	27.24%	1,763,652,743	26.07%
	<u>6,073,400,867</u>	<u>100.00%</u>	<u>6,473,400,867</u>	<u>100.00%</u>	<u>6,764,285,867</u>	<u>100.00%</u>

## **FUND RAISING ACTIVITIES OF THE COMPANY IN THE PAST TWELVE MONTHS**

The Company had not conducted any other fund raising activities involving the issue of its equity securities in the 12 months immediately preceding the date of this announcement.

**Shareholders and potential investors should note that completion of the Placing is subject to the fulfilment of the conditions precedent stated in the Placing Agreement. As such, the Placing may or may not proceed. Shareholders and potential investors are therefore urged to exercise caution when dealing in the Shares and other securities of the Company.**

## **DEFINITIONS**

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

“AGM”	the annual general meeting of the Company held on 3 September 2020
“associate(s)”	has the meaning ascribed to it in the Listing Rules
“Board”	the board of Directors
“Business Day”	a day (other than a Saturday, Sunday and public holiday in Hong Kong) on which licensed banks in Hong Kong are open for business throughout their normal business hours
“Charm Success”	Charm Success Group Limited, a company incorporated in the BVI with limited liability and is direct wholly owned by Deep Wealth Holdings Limited which is in turn held by TMF (Cayman) Ltd. as the trustee of a discretionary trust where Ms. Cui is the settlor and protector
“Company”	Ground International Development Limited, a company incorporated in Bermuda with limited liability whose issued Shares are listed on the Main Board of the Stock Exchange
“connected person(s)”	has the meaning ascribed to it in the Listing Rules
“Conversion Shares”	Shares fall to be allotted and issued upon the exercise of the conversion rights attaching to the Convertible Preference Shares



“Convertible Preference Shares”	the 4,539,352,941 limited-voting non-redeemable convertible preference shares of nominal value of HK\$0.05 each with notional value of HK\$0.85 each and initial conversion price of HK\$0.85 per conversion share (subject to adjustment) allotted and issued by the Company to Ka Yik on 27 July 2016, principal terms of which are set out in the circular of the Company dated 30 June 2016
“CPS Conversion”	the conversion of 400,000,000 Convertible Preference Shares by Ka Yik as disclosed in this announcement
“Director(s)”	director(s) of the Company
“General Mandate”	the general mandate granted to the Directors pursuant to an ordinary resolution of the Company passed at the AGM to allot, issue and deal with new Shares not exceeding 20% of the aggregate nominal amount of the issued share capital of the Company as at the AGM, pursuant to which a maximum of 1,054,680,173 new Shares may fall to be allotted and issued as at the date of this announcement
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	any person or company and their respective ultimate beneficial owner(s) (if applicable) which, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are third parties independent of the Company and its connected persons
“Ka Yik”	Ka Yik Investments Limited, a company incorporated in the BVI with limited liability and is direct wholly owned by Deep Wealth Holdings Limited which is in turn held by TMF (Cayman) Ltd. as the trustee of a discretionary trust where Ms. Cui is the settlor and protector
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Ms. Cui”	Ms. Cui Xintong, a controlling shareholder of the Company, an executive Director and the chairperson of the Board

“Placee(s)”	any individuals, corporate, institutional or other investor(s) procured by the Placing Agent or its agents to subscribe for any of the Placing Shares pursuant to the Placing Agreement
“Placing”	the placing of the Placing Shares pursuant to the terms of the Placing Agreement
“Placing Agent”	Fosun Hani Securities Limited, a licensed corporation to carry on business in Type 1 (dealing in securities) regulated activity under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Placing Agreement”	The conditional placing agreement entered into between the Company and the Placing Agent on 16 March 2021 in relation to the Placing
“Placing Price”	HK\$0.35 per Placing Share
“Placing Shares”	Up to 290,885,000 new Shares to be placed pursuant to the Placing Agreement, each a Placing Share
“Share(s)”	the ordinary share(s) of HK\$0.05 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

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

Hong Kong, 16 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.*