

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.



ZACD GROUP LTD.

杰地集團有限公司*

(a company incorporated in the Republic of Singapore with limited liability)

(Stock Code: 8313)

PROFIT WARNING

This announcement is made by ZACD Group Ltd. (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 17.10 of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”) and the Inside Information Provisions (as defined under the GEM Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board (the “**Board**”) of directors (the “**Directors**” and each a “**Director**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on the preliminary assessment of the unaudited consolidated management accounts of the Group for the year ended 31 December 2020 (the “**Financial Year**”) and other currently available information, the Group expects to record a substantial decline in its financial performance and anticipates to report a net loss after tax of over SGD20 million, indicating a drop by over 500% as compared to the net profit after tax of approximately SGD4.6 million in the corresponding year in 2019, mainly due to the allowance for impairment losses of approximately SGD3.7 million in respect of the Group’s Investment Management Fees Receivables and approximately SGD12.3 million in respect of the advance by the Group to ZACD Australia Hospitality Fund (collectively the “**Impairment Losses**”) recognised by the Group, an one-off corporate finance activity carried out in the interim period six months ended 30 June 2020 and a drop in revenue of approximately SGD9.5 million.

In respect of the Impairment Losses, reference is made to the voluntary announcement dated 20 September 2019, the positive profit alert announcement dated 2 March 2020, the inside information and business update announcements dated 23 July 2020, 24 July 2020 and 6 August 2020 and the profit warning announcements dated 29 July 2020 and 28 October 2020 of the Company in relation to the establishment of a new fund, ZACD Australia Hospitality Fund pursuant to the Transaction with respect to the Australia Hotel Portfolio (the “**Announcements**”). Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcements.

Pursuant to the Announcements, the legal proceedings commenced on 6 August 2020 by the Company and ZACD Australia Hospitality Fund in the Supreme Court of New South Wales in Australia against the Trust Lawyer for *inter alia* the recovery of the ZACD Deposit and other ancillary reliefs is currently in progress. While the legal proceedings are still ongoing, the Directors are of the view that the collectability of the Investment Management Fees Receivables and the recoverability of the advance by the Group to ZACD Australia Hospitality Fund (the “**Bridging Advance**”) for funding the Transaction are not virtually certain at this stage. As such, subsequent to the allowance for impairment losses of approximately SGD3.7 million in respect of the Group’s Investment Management Fees Receivables and approximately SGD2.3 million in respect of the partial Bridging Advance recognised by the Group in the interim period six months ended 30 June 2020, the Group further recognised the allowance for impairment loss on the remaining Bridging Advance in the Financial Year. This resulted in a total of approximately SGD3.7 million and approximately SGD12.3 million of allowance for impairment losses recognised in respect of the Group’s Investment Management Fees Receivables and the Bridging Advance, respectively, for the year ended 31 December 2020.

The decrease in revenue for the Financial Year was mainly due to the decrease in revenue in the investment management services, property management and tenancy management services and financial advisory services, which was mainly due to the COVID-19 pandemic in 2020 which had severely impacted the Group’s business expansion plans.

The Company is in the process of finalising the Group's unaudited consolidated financial results for the Financial Year. The information contained in this announcement is only based on a preliminary assessment by the management of the Company with reference to the latest information available and the unaudited consolidated management accounts of the Group, which have not been reviewed by the audit committee and auditor of the Company. Actual financial results may be different from what is disclosed in this announcement. Shareholders and potential investors are advised to refer to the results of the Group for the Financial Year which is expected to be published in March 2021.

Shareholders and potential investors should exercise caution when dealing in the shares of the Company.

By Order of the Board
ZACD Group Ltd.
Sim Kain Kain
Chairman and Executive Director

Hong Kong, 1 February 2021

As at the date of this announcement, the Board of the Company comprises four (4) executive Directors, namely, Mr. Yeo Choon Guan (Yao Junyuan), Ms. Sim Kain Kain, Mr. Wee Hian Eng Cyrus and Mr. Siew Chen Yei; three (3) independent non-executive Directors, namely, Mr. Kong Chi Mo, Dato' Dr. Sim Mong Keang and Mr. Lim Boon Yew; and one (1) non-executive Director, namely Mr. Chew Hong Ngiap, Ken.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will be published on the GEM website at www.hkgem.com and remain on the "Latest Company Announcements" page for at least seven days from the date of its posting. This announcement will also be published on the Company's website at www.zacdgroup.com.

In the event of any inconsistency between the Chinese version and the English version of this announcement, the latter shall prevail.

** for identification purposes only*