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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 three months ended 31 March 2021 (the “**Reporting Period**”) and other currently available information, the Group expects to record a decline in its financial performance and anticipates to report a net loss of over SGD400,000, indicating a drop by over 600% as compared to the corresponding period in last year.

The expected increase in loss was mainly attributable to the decrease in revenue by approximately SGD1.9 million which was mainly attributable to:

- The Group derived an acquisition fee income of approximately SGD1.1 million following the completion of the acquisition of the Mandai site in March 2020 while there was no such project acquisition completion in the Reporting Period.
- The strategic re-alignment of property management service business by the Group in December 2020 from managing residential and industrial properties to managing government and international projects where existing property management contracts were novated to third party managing agents. Following the strategic re-alignment, there was no revenue derived from this business segment in the Reporting Period as compared to the property management fee income of approximately SGD569,000 derived in the corresponding period.
- There was no new investment fund closed in the Reporting Period, resulting in the decrease in fund management fees.

This was partially offset by:

- A decrease in staff costs by approximately SGD887,000 as a result of the drop in headcount mainly in the property management services.
- A decrease in other expenses by approximately SGD455,000 mainly due to the decrease in property repair and maintenance outsourcing expenses and professional fees.

The Company is in the process of finalising the Group's unaudited consolidated financial results for the Reporting Period. 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 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 Reporting Period which is expected to be published in May 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

Singapore, 27 April 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. Siew Chen Yei and Mr. Patrick Chin Meng Liong; 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*