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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 and other currently available information, the Group is expected to record a significant decrease in its consolidated net profit after tax (before listing expenses) for the year ended 31 December 2018 (the “**Financial Year 2018**”) of approximately 70% to 80% as compared to that for the year ended 31 December 2017 (the “**Financial Year 2017**”). The expected decrease was mainly attributable to (i) a decrease in revenue mainly in the investment management business segment as further elaborated below; (ii) an increase in staff costs as a result of business expansion; and (iii) an increase in professional and compliance fees subsequent to the listing of the Company’s shares on GEM.

The decrease in revenue in the investment management business is mainly due to the following:

- (i) Majority of investment management fee derived from the successful partial exit of our investment property at 7000 Ang Mo Kio Avenue 5 was realised in the Financial Year 2017, leaving only a residual portion of investment management fee income was realised in the Financial Year 2018;
- (ii) Delay in timing of distributions by our project developer partners, who we did not have control over, for two profitable projects in Singapore, namely MEGA@Woodlands and Vue 8 Residence;

- (iii) Due to intense competitive bidding environment where the Group had participated in tenders or sales for land parcels and/or real estate assets for five residential and commercial developments in Singapore and three residential and commercial developments in Australia while the Group only managed to successfully secure one residential development in Singapore at the desired price for our investors, resulting in the decrease in fund establishment fee income due to lesser number of fund launches in the Financial Year 2018; and
- (iv) The imposition of higher Additional Buyer's Stamp Duty ("ABSD") by the Singapore Government on residential property purchases made on or after 6 July 2018 that had adversely affected investors' sentiment and prolonged fundraising efforts that resulted in longer closure of our funds in the Financial Year 2018 where our investment management fees are realised upon successful closure of the desired fund size.

The Company is in the process of finalising the Group's annual results for the Financial Year 2018. 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 or audited by the audit committee of the Company and the Company's auditors. Actual financial results may be different from what is disclosed in this announcement. Shareholders and potential investors are advised to refer to the annual results of the Group for the Financial Year 2018 which is expected to be published on 20 March 2019.

**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, 27 February 2019

*As at the date of this announcement, the board of directors of the Company comprises five (5) executive directors, namely, Mr. Yeo Choon Guan (Yao Junyuan), Ms. Sim Kain Kain, Mr. Wee Hian Eng Cyrus, Mr. Siew Chen Yei and Mr. Darren Chew Yong Siang (Zhou Yongxiang); 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 of the Company 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 of the Company, 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 remain on the Stock Exchange's website at [www.hkexnews.hk](http://www.hkexnews.hk) and the GEM website at [www.hkgem.com](http://www.hkgem.com) and in the case of this announcement, 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](http://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*