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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).

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 announcement dated 29 July 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.

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 nine months ended 30 September 2020 (the “**Reporting Period**”) and other currently available information, the Group expects to record a substantial decline in its financial performance and anticipates to report a net loss of over SGD8 million, indicating a drop by over 400% as compared to the corresponding period in last year, 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 SGD2.3 million in respect of the advance by the Group to ZACD Australia Hospitality Fund (collectively the “**Impairment Losses**”) recognised by the Group and an one-off corporate finance activity carried out in the interim period six months ended 30 June 2020.

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. 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 for funding the payment of deposits for the Transaction remain uncertain. As such, the Impairment Losses recognised by the Group remain unchanged.

If the Impairment Losses and one-off corporate finance activity were excluded, the net loss of the Group for the Reporting Period would only be slightly increased by over 6% as compared to the corresponding period in last year.

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 early November 2020.

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, 28 October 2020

As at the date of this announcement, the Board 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; 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*