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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 nine months ended 30 September 2019 (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 SGD1.4 million as compared to the net loss of SGD286,000 for the nine months ended 30 September 2018 (the “**Previous Period**”). The substantial decline in its financial performance is mainly attributable to:

1. a significant decrease in revenue for the Reporting Period mainly in the investment management business segment mainly due to:
 - a. dividends were derived from 13 investment SPVs in the Previous Period as compared to four investment SPVs in the Reporting Period;
 - b. the investment projects set up during the years 2010 to 2015 were under the convertible loan structures with majority of the projects are maturing/have matured. The Group’s current business model is to expand onto fund structures, however, the number of new funds established has been slow since 2018 due to macro environmental conditions and imposition of government’s policies which adversely affected investors’ sentiment and had prolonged fundraising efforts;
 - c. the Group also realised the residual portion of the investment management fee income in the Previous Period from the successful partial exit of the investment property at 7000 Ang Mo Kio Avenue 5;
2. an increase in staff costs as a result of the recruitment of additional professional staff for business expansion for the Reporting Period; and

3. unrealised foreign exchange differences where in the Previous Period, the Group recorded a substantial foreign exchange gain mainly attributable to the proceeds from the Company's listing which was mainly retained in Hong Kong Dollars and Hong Kong Dollars appreciated against Singapore Dollars in the same period as compared to minimal foreign exchange movement in the Reporting Period.

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 on 12 November 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, 31 October 2019

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. Siew Chen Yei, Mr. Darren Chew Yong Siang and Mr. Wee Hian Eng Cyrus; 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*