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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)**

## **FURTHER ANNOUNCEMENT ON POSITIVE PROFIT ALERT**

Reference is made to the announcement of ZACD Group Ltd. (the “**Company**”) dated 4 May 2020 (the “**Positive Profit Alert**”). Unless otherwise defined herein, capitalised terms used in this announcement shall have the same meanings as those defined in the Positive Profit Alert. In the Positive Profit Alert, the Company had announced that the Group expects to record a net profit of approximately S\$200,000 for the Reporting Period as compared with a net loss of approximately S\$313,000 for the corresponding period and had further explained that the significant improvement in its financial performance was mainly due to 1) an increase in revenue mainly in the acquisitions and projects management business segment as a result of the acquisition fee derived from securing and completing the acquisition of the Mandai Site, partially offset by the decrease in the revenue in the SPV investment management business segment and property management business segment; 2) an increase in other income mainly from the Jobs Support Scheme (“**JSS**”) announced by the Singapore Government to provide cash flow support to businesses during this period of economic uncertainty affected by the COVID-19 outbreak; and 3) a decrease in the property repair and maintenance outsourcing expenses.

Subsequent to the issue of the Positive Profit Alert, the Board was aware that the Institute of Singapore Chartered Accountants (“**ISCA**”) had on 7 May 2020 released Financial Reporting Bulletin (“**FRB**”) 6 “COVID-19 Government Relief Measures: Accounting for the grant provided by the Singapore Government for wages paid to local employees under the Jobs Support Scheme” which is effective as of 7 May 2020 to address the accounting treatment of the JSS payouts. In ISCA’s view, the JSS grant is intended to support local staff costs incurred by the entities during a nine-month period of economic uncertainty in 2020 and should be recognised on a systematic basis over the estimated nine months period of economic uncertainty in 2020 in which the entity recognises the related local salary costs. Accordingly, the JSS grant income of the Group was re-aligned to the requirements of FRB 6, resulting in a lower than initially anticipated grant income recognised for the Reporting Period. Prior to the release of FRB 6 guidance, the Group had accounted for the JSS grant income receivable at 31 March 2020 in accordance with the principles

in IAS 20 Accounting for Government Grants and Disclosure of Government Assistance, and considered that there are no conditions attached to this grant which the Group needs to satisfy. As a result of the aforesaid, the Group expects to record a net loss of not more than S\$100,000 for the Reporting Period as opposed to the net profit of approximately S\$200,000 announced in the Positive Profit Alert.

The Company is still 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 finalised or 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 May 2020.

**Shareholders and potential investors are advised to 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, 11 May 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](http://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](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*