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ZACD GROUP LTD.

杰地集团有限公司*

(a company incorporated in the Republic of Singapore with limited liability)

(Stock Code: 8313)

POSITIVE PROFIT ALERT

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 is pleased 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 year ended 31 December 2021 (the “**Financial Year**”) and other currently available information, the Group expects to record a net profit of approximately SGD7 million, as compared to a net loss of approximately SGD20.26 million in the corresponding year.

The turn from loss to profit was mainly attributable to the following:

1. Reference is made to the voluntary announcement dated 20 September 2019, the inside information and business update announcements dated 23 July 2020, 24 July 2020, 6 August 2020 and 23 August 2021 as well as the supplemental announcement dated 23 August 2021 in relation to ZACD Australia Hospitality Fund (the “**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. Pursuant to the Deed of Settlement, the Fund had received a substantial portion of the settlement proceeds according to the settlement schedule from the Defendants in September 2021. Following the settlement, the loan and related receivables extended by the Group to the Fund was repaid substantially and accordingly, the impairment loss of approximately SGD7.6 million was reversed by the Group in September 2021, compared to the impairment loss of approximately SGD12.3 million was recognised in the corresponding year;
2. The absence of impairment losses of approximately SGD3.7 million in respect of the Group’s investment management fees receivables from the Fund during the Financial Year;

3. The decrease in staff costs by approximately SGD2.5 million in the Financial Year as a result of the drop in headcount mainly in the property management services; and
4. The decrease in other expenses by approximately SGD1.3 million in the Financial Year mainly due to the decrease in professional fees incurred for corporate finance activity, fees on referral programs on fund investors and corporate advisory mandates, and property repair and maintenance outsourcing expenses.

The Company is in the process of finalising the Group's unaudited consolidated financial results for the Financial Year. 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 auditors and 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 Financial Year which is expected to be published in March 2022.

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, 15 February 2022

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*