

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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)

**VOLUNTARY ANNOUNCEMENT
BUSINESS UPDATE
STRATEGIC RE-ALIGNMENT OF PROPERTY MANAGEMENT AND
TENANCY MANAGEMENT SERVICES BUSINESS**

This announcement is made by ZACD Group Ltd. (the “**Company**”, together with its subsidiaries, collectively, the “**Group**”) on a voluntary basis.

Reference is made to the prospectus of the Company dated 28 December 2017 (the “**Prospectus**”). The Group provides property management and tenancy management business through a direct wholly-owned subsidiary of the Company, ZACD POSH Pte. Ltd. (“**ZACD POSH**”), which was established by the Company on 17 November 2016 to assume, with effect from 1 January 2017, the property management and tenancy management business originally conducted by another direct wholly-owned subsidiary of the Company, ZACD International Pte. Ltd. (“**ZACD International**”), which had since been focusing on providing the project consultancy and management business, in order to better delineate the functions within the Group companies and optimize the Group structure.

Reference is also made to the annual reports of the Company for financial years ended 31 December 2017, 2018, 2019 and the Third Quarterly Report 2020 of the Company for the nine (9) months ended 30 September 2020. Since year 2018, the profitability of the property management and tenancy management business has shrunk over the past years largely due to the reducing number of the properties managed which comprises mainly the residential and industrial properties as a result of property management contracts that had ceased and/or have not been renewed at the end of the contract term. Besides staff costs, key expenses incurred by this business segment entail the administrative costs of managing properties. As this business segment has not reached its desired economics of scale by managing mainly the residential and industrial properties and as a result it has been incurring losses, the board of directors (the “**Board**”) considers that it is no longer commercially attractive to engage in residential and industrial projects and believes that it is in the best interests of the Company and its shareholders as a whole to make a strategic move in this business segment from managing the residential and industrial properties to government and international projects in order to generate better income for the Group. In order to allocate more resources and management efforts in the desired workhead for government and international

projects, the Board decides to re-align the property management and tenancy management business with ZACD International at this stage. As a result, the existing property management contracts entered into by ZACD POSH that are for residential and industrial properties will either cease at the end of the contract term or novated to an independent third party managing agents, and the only tenancy management services in respect of a dormitory in Malaysia will be novated to ZACD International, which is expected to be expire on 28 February 2021. Thereafter ZACD POSH will remain dormant and will be struck off in due course.

As the Group reacts to changes large and small, the property management and tenancy management business will, subsequent to the re-alignment, continue to evolve by ZACD International targeting on government and international projects with better returns, which to the Board is in the best interests of the Company and its shareholders as a whole.

As at the date of this announcement and based on the information currently available to the Board, the Board is of the view that the re-alignment of the property management and tenancy management business will have no material adverse impact to the financial performance and operation of the Group.

The Company will keep the shareholders informed of any material developments in connection with the re-alignment of the property management and tenancy management business by way of further announcement(s) as and when appropriate.

By Order of the Board
ZACD Group Ltd.
Sim Kain Kain
Chairman and Executive Director

Hong Kong, 28 December 2020

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. Wee Hian Eng Cyrus and Mr. Siew Chen Yei; 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*