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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)

**VOLUNTARY ANNOUNCEMENT
SUBSCRIPTION OF ZACD MOUNT EMILY
RESIDENTIAL DEVELOPMENT FUND**

THE SUBSCRIPTION AGREEMENT

The Company is pleased to announce that, on 2 September 2022, the Company and ZACD Mount Emily Residential Development Fund (the “**Sub-Fund**”) entered into the Subscription Agreement, pursuant to which the Company has agreed to subscribe 9.28% of the Sub-Fund Size in the Mount Emily Properties at a total capital subscription amount of S\$900,000.

GEM LISTING RULES IMPLICATIONS

As all of the applicable percentage ratios (as defined under the GEM Listing Rules) in respect of the Subscription are less than 5%, therefore the Subscription is not subject to the requirements pursuant to Chapter 19 of the GEM Listing Rules.

Reference is made to the Company’s voluntary announcement dated 8 March 2021 in relation to the establishment of a new fund for Mount Emily Properties, ZACD Mount Emily Residential Development Fund has been set up for the investment into the Mount Emily Properties.

THE SUBSCRIPTION AGREEMENT

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A brief summary of the Subscription Agreement and Private Placement Memorandum (“PPM”) are set out below:

- (i) Parties The Company, as the Subscriber; the Fund and the Sub-Fund

- (ii) Assets to be acquired and subscription amount The Company agreed to subscribe 9.28% of the Sub-Fund, at a capital subscription amount of S\$900,000, which is payable by the Company by cash from its internal resources. The subscription amount is determined based on the terms of the PPM and the condition of the Company’s idle cash.

- (iii) Sub-Fund ZACD Mount Emily Residential Development Fund (Registration Number: T20VC0095G-SF001), a sub-fund within ZACD Capital Partners VCC, a variable capital company incorporated as an umbrella VCC under the laws of Singapore

- (iv) The Fund ZACD Capital Partners VCC (UEN: T20VC0095G) is a company incorporated as an umbrella Singapore variable capital company (“VCC”) on 28 July 2020 and its entire nominal ordinary share capital is indirectly wholly-owned by the Company.

- (v) The Manager ZACD Capital Pte. Ltd., a company incorporated under the laws of Singapore with limited liability on 25 October 2011, and a direct wholly-owned subsidiary of the Company and a member of the Group

- (vi) Capital Commitments Means, with respect to an investor, the capital for the time being committed to the Sub-Fund by the investor or as the case may be, the investor for the subscription of Participating Shares (including such capital which has been drawn down and for such Participating Shares have been issued) or Convertible Loan Interests (as the case may be).

- (vii) Capital Contribution Means, in respect to each investor, the amount of capital contributed to the Sub-Fund from time to time by that investor, subject to the provisions of the Subscription Agreement.

- (viii) Participating Shares The non-voting participating non-redeemable (at the option of the holder) shares of such Class or sub-Class in the capital of the Fund in respect of a particular Sub-Fund, issued subject to and in accordance with the provisions of the VCC Act and the Constitution, and having the rights and being subject to the restrictions as provided for under the Constitution, the Private Placement Memorandum, the relevant supplement and the shareholders agreement (if any) with respect to such share. All references to "Participating Shares" shall be deemed to be Participating Shares of any or all classes or series referable to a Sub-Fund, as the context may require.

- (ix) Distribution Distributions by the Sub-Fund to the investors will be made by way of distributions of cash and/or distributions of assets in specie, whether pursuant to redemption of Participating Shares (at the option of the Sub-Fund and not at the option of the investor), declaration of dividends or otherwise.

- (x) Convertible Loan Agreement Means the respective convertible loan agreement (if any) entered into between an investor and the Fund in respect of a Sub-Fund setting out the terms of the Convertible Loan Interests.

- (xi) Convertible Loan Interests Comprises an obligation to enter into for interest-free convertible loans by way of loan advances. The loans shall not be repayable on demand and shall be subordinated to all other debt obligations of the Sub-Fund, if any. The Capital Contributions will be advanced by instalments as needed, by the Sub-Fund drawing on the loan under the respective Convertible Loan Agreement.

INFORMATION ON THE COMPANY, AS THE SUBSCRIBER

The Company is an investment holding company and the Group is principally engaged in the provision of the following services:

- (i) investment management services, which includes (a) special purpose vehicle (“SPV”) investment management and (b) fund management;
- (ii) acquisitions and projects management;
- (iii) property management and tenancy management services; and
- (iv) financial advisory services.

INFORMATION ON THE FUND, THE SUB-FUND AND THE MANAGER

The Fund, ZACD Capital Partners VCC (UEN: T20VC0095G) is a company incorporated as an umbrella Singapore variable capital company (“VCC”).

As an umbrella VCC, the directors may establish one or more sub-funds and in respect of each sub-fund, the directors may establish one or more classes or series of Participating Shares (including different classes or series relating to the same sub-fund) and such sub-fund and/or class and/or series may have different investment parameters, fee structures, redemption periods and/or other features as the directors may determine in the directors' sole discretion. As an umbrella VCC, the Fund can operate sub-funds with the benefit of statutory segregation under Singapore law of assets and liabilities between each sub-fund. Although not judicially tested in a foreign court, the principal advantage of an umbrella VCC is that it protects the assets of one sub-fund from the liabilities of other sub-funds under the laws of Singapore.

The Sub-Fund, ZACD Mount Emily Residential Development Fund, is a closed-ended fund that is a sub-fund of ZACD Capital Partners VCC, an umbrella VCC.

The Sub-Fund is established for the purpose of targeting the residential development located at (i) 2, 2A and 2B Mount Emily Road S(228484); (ii) 4, 4A and 4B Mount Emily Road S(228486); and (iii) 6, 6A and 6B Mount Emily Road S(228487) (collectively, the “**Mount Emily Properties**”). The site was acquired by ZACD Property Pte. Ltd. (the “**Developer**”), a wholly-owned subsidiary of the Sub-Fund, through a collective sale private tender conducted by the real estate agency, Edmund Tie & Company. The land parcel has an area of 5,549 square feet and a permissible gross plot ratio of 2.1. With a development baseline of about 16,139 square feet, the freehold site is zoned for residential development comprising of approximately 20 residential units.

The Manager is ZACD Capital Pte. Ltd., is an investment and fund management company incorporated in Republic of Singapore with limited liability and a wholly-owned subsidiary of the Company. The Manager holds a capital markets services licence for fund management and is subject to supervision in Singapore by the Monetary Authority of Singapore. The Manager will be primarily responsible for the management of the Sub-Fund, its business and implementing the investment strategy, as well as providing the Sub-Fund with specialized real estate investment fund management services. The Manager has a wealth of experience in identifying, evaluating and investing in real estate, including the development and management of prime real estate properties in Singapore and the rest of the Asia-Pacific region.

To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, other investors of the Sub-Fund are Independent Third Parties.

REASON AND BENEFITS OF THE SUBSCRIPTION

As mentioned in the voluntary announcement dated 8 March 2021, the Mount Emily Properties are situated in a tranquil enclave near Mount Emily Park, within close proximity to the Little India MRT interchange serving the Downtown and North East MRT lines, providing easy accessibility to all parts of Singapore. This presents an exceptional opportunity to transform the well-located Mount Emily Properties to a boutique residential development. The Board believes that the Mount Emily Properties presents an attractive real estate investment opportunity for the Group.

The principal purpose of the Company of the Subscription is to diversify the investment portfolio of the Company with an aim to enhancing its profitability. The Subscription provides an opportunity to the Company to enhance return by utilising the idle cash of the Company.

In light of the above, the Directors are of the view that the terms of the Subscription Agreement and transactions contemplated thereunder are fair and reasonable and in the interests of the Company and its shareholders as a whole.

GEM LISTING RULES IMPLICATIONS

As all of the applicable percentage ratios (as defined under the GEM Listing Rules) in respect of the Subscription are less than 5%, therefore the Subscription is not subject to the requirements pursuant to Chapter 19 of the GEM Listing Rules.

DEFINITION

In this announcement, unless the context otherwise requires, the following expressions shall have the following respective meanings:

“AUM”	assets under management, which refers to moneys and assets contracted to, drawn down by, are under either the discretionary or non-discretionary authority granted by the customer to the company and in respect of which the company is carrying out investment management, as well as those that have been subcontracted to another party
“Board”	the board of Directors
“Company”	ZACD Group Ltd., a public company incorporated in Singapore with limited liability, whose issued shares are listed and traded on GEM (stock code: 8313)
“Constitution”	Means the Constitution of the Fund for the time being in force, as may be amended, supplemented, modified or restated from time to time.
“Developer”	ZACD Property Pte. Ltd., a company incorporated under the laws of Singapore with limited liability on 8 December 2016, a wholly-owned subsidiary of the Sub-Fund
“Director(s)”	the Director(s) of the Company
“GEM”	the GEM of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM as amended, supplemented or otherwise modified from time to time
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	an individual(s) or a company(ies) who or which is/are not connected person(s) (within the meaning of the GEM Listing Rules)

“Investment SPV(s)”	the investment vehicle(s) managed by the Group under the private equity structures and the trust structures
“Management Share”	The voting non-redeemable non-participating shares in the capital of the Fund designated as "Management Shares"
“Mount Emily Properties”	a freehold residential redevelopment site located at (i) 2, 2A and 2B Mount Emily Road S(228484); (ii) 4, 4A and 4B Mount Emily Road S(228486); and (iii) 6, 6A and 6B Mount Emily Road S(228487)
“Participating Share”	the non-voting participating non-redeemable (at the option of the holder) shares of such Class or sub-Class in the capital of the Fund in respect of the Sub-Fund
“PPM”	means this amended and restated private placement memorandum dated 1 April 2021 issued in connection with the placing of Participating Shares or Convertible Loan Interests (as the case may be) as amended, substituted, supplemented or restated from time to time
“Singapore”	the Republic of Singapore
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Sub-Fund Size”	The aggregate Capital Commitments the Sub-Fund aims to raise from the placing is S\$9.7 million. The Manager reserves the right to close the Sub-Fund with Capital Commitments in excess of, or below, this amount at its sole discretion.
“Subscriber”	The Company, ZACD Group Ltd.
“Subscription”	the subscription of the Participating Shares at a total subscription amount of S\$900,000 pursuant to the Subscription Agreement
“Subscription Agreement”	the subscription agreement dated 2 September 2022 entered into between the Subscriber and the Sub-Fund in relation to the Subscription
“subsidiary(ies)”	has the meaning ascribed thereto under the GEM Listing Rules
“S\$”	the lawful currency of Singapore
“%”	per cent

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

Singapore, 2 September 2022

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. Mark Oh Keng Kwan, Mr. Patrick Chin Meng Liong and Ms. Yong Sze Wan, Cheryl; 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*