

zacd

ZACD GROUP LTD.

杰地集团有限公司*

(A company incorporated in Singapore with limited liability)

Stock Code: 8313



First Quarterly
Report
2020

*for identification purpose only

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*This report, for which the directors of ZACD Group Ltd. (the "**Company**", together with its subsidiaries as the "**Group**") 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 of the Company, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this report 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 report misleading.*

In the event of any inconsistency between the Chinese version and the English version, the latter shall prevail.



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CORPORATE INFORMATION

BOARD OF DIRECTORS

EXECUTIVE DIRECTORS

Ms. Sim Kain Kain (*Chairman*)
 Mr. Yeo Choon Guan (Yao Junyuan) (*CEO*)
 Mr. Wee Hian Eng Cyrus (*Deputy CEO*)
 Mr. Siew Chen Yei (*Deputy CEO and CFO*)
 Mr. Darren Chew Yong Siang (*COO*)

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Kong Chi Mo
 Dato' Dr. Sim Mong Keang
 Mr. Lim Boon Yew

NON-EXECUTIVE DIRECTOR

Mr. Chew Hong Ngiap, Ken

AUDIT COMMITTEE

Mr. Kong Chi Mo (*Chairman*)
 Dato' Dr. Sim Mong Keang
 Mr. Lim Boon Yew

REMUNERATION COMMITTEE

Dato' Dr. Sim Mong Keang (*Chairman*)
 Ms. Sim Kain Kain
 Mr. Kong Chi Mo
 Mr. Lim Boon Yew

NOMINATION COMMITTEE

Mr. Lim Boon Yew (*Chairman*)
 Mr. Yeo Choon Guan (Yao Junyuan) (*CEO*)
 Mr. Kong Chi Mo
 Dato' Dr. Sim Mong Keang

AUTHORISED REPRESENTATIVES

Mr. Siew Chen Yei (*Deputy CEO and CFO*)
 Mr. Ip Pui Sum

JOINT COMPANY SECRETARIES

As to Hong Kong Law

Mr. Siew Chen Yei (*Deputy CEO and CFO*)
 Mr. Ip Pui Sum

As to Singapore Law

Mr. Tan Kim Swee Bernard
 (Chen Jinrui Bernard)

COMPLIANCE OFFICER

Mr. Siew Chen Yei (*Deputy CEO and CFO*)

COMPLIANCE ADVISER

Innovax Capital Limited

AUDITOR

Ernst & Young LLP

REGISTERED OFFICE

2 Bukit Merah Central #22-00
 Singapore 159835

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN SINGAPORE

2 Bukit Merah Central #22-00
 Singapore 159835

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit 1610, Level 16, Man Yee Building
 60-68 Des Voeux Road Central
 Central, Hong Kong

PRINCIPAL BANK

United Overseas Bank
 UOB Plaza
 80 Raffles Place
 Singapore 048624

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN SINGAPORE

Tricor Singapore Pte Ltd
 80 Robinson Road
 #02-00
 Singapore 068898

HONG KONG SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
 Level 54, Hopewell Centre
 183 Queen's Road East
 Hong Kong

STOCK CODE

8313

COMPANY'S WEBSITE

www.zacdgroup.com

FINANCIAL HIGHLIGHTS

For the three months ended 31 March 2020

- The unaudited revenue of the Group increased by 10.5% or approximately S\$272,000 from approximately S\$2.6 million for the three months ended 31 March 2019 to approximately S\$2.9 million for the three months ended 31 March 2020. The increase was mainly attributable to acquisition fee derived from the acquisitions and projects management business segment, partially offset by lower dividends from the investment management business segment and decrease in property management fees as a result of contracts had ceased and/or have not been renewed at the end of the contract term.
- The Group reported a net loss of approximately S\$55,000 for the three months ended 31 March 2020, as compared with a net loss of approximately \$313,000 for the three months ended 31 March 2019. The decrease in net loss was mainly attributable to the increase in revenue.
- No dividend was paid or proposed by the Company for the three months ended 31 March 2020 (Three months ended 31 March 2019: Nil).
- Basic and diluted loss per share during the three months ended 31 March 2020 was approximately S\$0.003 cents (Three months ended 31 March 2019: loss of S\$0.02 cents).

FIRST QUARTERLY RESULTS

This is a first quarterly results announcement made by ZACD Group Ltd. (the “**Company**”, together with its subsidiaries as the “**Group**”).

The board of directors (the “**Board**”) of the Company hereby announces the unaudited condensed consolidated results of the Group for the three months ended 31 March 2020 (the “**First Quarterly Results**”), together with the unaudited comparative figures for the three months ended 31 March 2019:

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND COMPREHENSIVE INCOME

For the three months ended 31 March 2020

	Note	Three months ended 31 March	
		(unaudited) 2020 S\$'000	(unaudited) 2019 S\$'000
Revenue	4	2,854	2,582
Other income and gains	4	235	247
Staff costs		(2,119)	(2,163)
Depreciation		(65)	(52)
Amortisation of right-of-use asset		(129)	(172)
Amortisation of capitalised contract costs		(25)	–
Marketing expenses		(3)	(3)
Other expenses, net		(791)	(743)
Interest expenses		(5)	(9)
Loss before tax	5	(48)	(313)
Income tax expense	6	(7)	–
Loss for the period attributable to owners of the Company		(55)	(313)
Other comprehensive (loss)/income:			
Items that will not be reclassified to profit or loss:			
Fair value changes on investment in equity securities		(535)	(253)
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations		(139)	16
Other comprehensive loss for the period		(674)	(237)
Total comprehensive loss for the period attributable to owners of the Company		(729)	(550)
Loss per share attributable to owners of the Company	7		
Basic (cents)		(0.003)	(0.02)
Diluted (cents)		(0.003)	(0.02)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three months ended 31 March 2020

	Share capital S\$'000	Investment in equity securities revaluation reserve S\$'000	Exchange fluctuation reserve S\$'000	Capital reserve S\$'000	Retained profits S\$'000	Total Equity S\$'000
Three months ended 31 March 2020						
At 1 January 2020 (audited)	29,866	2,297	(33)	1,491	3,964	37,585
Loss for the period	-	-	-	-	(55)	(55)
Other comprehensive loss for the period:						
Exchange differences on translation of foreign operations	-	-	(139)	-	-	(139)
Fair value changes on investment in equity securities	-	(535)	-	-	-	(535)
Total comprehensive loss for the period	-	(535)	(139)	-	-	(674)
At 31 March 2020 (unaudited)	29,866	1,762	(172)	1,491	3,909	36,856
Three months ended 31 March 2019						
At 1 January 2019 (audited)	29,866	3,424	(34)	1,491	342	35,089
Loss for the period	-	-	-	-	(313)	(313)
Other comprehensive (loss)/income for the period:						
Exchange differences on translation of foreign operations	-	-	16	-	-	16
Fair value changes on investment in equity securities	-	(253)	-	-	-	(253)
Total comprehensive (loss)/income for the period	-	(253)	16	-	-	(237)
At 31 March 2019 (unaudited)	29,866	3,171	(18)	1,491	29	34,539

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the three months ended 31 March 2020

1. CORPORATE INFORMATION

The Company is a company limited by shares, which is domiciled and incorporated in the Republic of Singapore ("**Singapore**"). The registered office of the Company, which is also its principal place of business, is located at 2 Bukit Merah Central #22-00, Singapore 159835.

The Company is an investment holding company. The Company's subsidiaries are 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 services;
- (iii) property management and tenancy management services; and
- (iv) financial advisory services.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the three months ended 31 March 2020

2. BASES OF PREPARATION AND CHANGES TO THE GROUP'S ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board and Singapore Financial Reporting Standards (International) ("SFRS(I)") as issued by the Singapore Accounting Standards Council ("ASC").

The unaudited condensed consolidated financial information is presented in Singapore dollars ("S\$") and all values are rounded to the nearest thousand (S\$'000) except when otherwise indicated.

2.2 New standards, interpretations and amendments adopted by the Group

The accounting policies adopted in the preparation of the First Quarterly Results are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2019, except for the adoption of new standards effective as of 1 January 2020. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. These applications do not have a material impact on the First Quarterly Results of the Group.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the three months ended 31 March 2020

3. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on its products and services and has the following reportable segments:

(a) Investment management

The Group provides investment management services for investors to invest into real estate projects or funds by setting up a single investment vehicle ("**Investment SPV**") or fund holding entity.

(i) *SPV investment management*

The Group provides investment management services to investors of real estate development projects by establishing and incorporating Investment SPV through which the investors participate in the project by subscribing convertible loans that are issued by the Investment SPV and/or entering into trust deeds with the Group's ultimate holding company under the trust structure. With respect to a major investor, the Group also derives revenue in return for providing a priority right to this investor to participate in the Group's real estate development projects. Post establishment and incorporation of the Investment SPV, the Group continues to provide investment management services to the investors by managing the Investment SPV up to the time of project completion. The Group also holds the establishment shares received from investors to remunerate its SPV investment management services provided, through dividend distribution from the relevant SPVs under the convertible loan structure. Under the trust structure, the Group derives performance fees from the profits made by the investors through dividend distribution received by the Group's ultimate holding company on behalf of investors.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the three months ended 31 March 2020

3. OPERATING SEGMENT INFORMATION (cont'd)

(a) Investment management (cont'd)

(ii) *Fund management*

The Group renders fund management services by establishing and serving as manager of private real estate funds. Under this arrangement, the Group is responsible for the origination of the investment of the fund, establishment of the investment structure, placement to investors and management of the funds' investment portfolio where it actively sources for real estate deals and manage the investment process for the funds, manages the assets owned by the funds, and sources for avenues for divesting the investments in order to maximise the funds' internal rates of return.

Under the contracts entered into with the private real estate funds, the Group is entitled to fund establishment fee and fund management fees based on a percentage of committed capital and performance fees based on a percentage of return on equity of the fund upon divestment of all investments in the fund or expiration or early termination of the fund life. The fund management fees are received quarterly or annually and are recognised on a straight-line basis over the contract terms. The fund establishment fees are recognised as and when the Group's rights and entitlement to the fees are established. Performance fees are not recognised until it is highly probable that a significant reversal of the cumulative amount of revenue recognised will not occur upon the resolution of any uncertainty.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the three months ended 31 March 2020

3. OPERATING SEGMENT INFORMATION (cont'd)

(b) Acquisitions and projects management (Note 1)

Acquisitions and projects management include the Group's services in sourcing, assessing and securing quality real estate assets for real estate developers and services rendered by the Group to real estate developers generally comprise services in the areas of tender consultancy and research, design development consultancy, marketing project management, sales administration and handover and property defects management services coordination of legal services, as well as finance and corporate services. These services are provided to real estate developers and help to address various needs during each major stage of real estate development projects.

Note 1: The segment was previously known as "Project consultancy and management". The change in the name of the business segment was mainly to better reflect the current business activities undertaken and to better position the Group's services to its clients in this segment.

(c) Property management and tenancy management

The Group's property management services primarily include maintenance management services and ancillary services, such as accounting and financial services. Properties managed by the Group comprise residential properties as well as non-residential properties including commercial buildings, office buildings and industrial parks.

The Group's tenancy management services primarily relate to defect management, rental management, lease advisory services, administrative management and tenants care management.

(d) Financial advisory

The Group's financial advisory services primarily relate to corporate finance advisory services and investment advisory services.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the three months ended 31 March 2020

3. OPERATING SEGMENT INFORMATION (cont'd)

Management monitors the operating results of the Group's business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/(loss), which is a measure of adjusted profit/(loss) before tax. The adjusted profit/(loss) before tax is measured consistently with the Group's loss before tax except that unallocated other income and gains as well as head office and corporate expenses are excluded from such measurement.

Geographical information

Revenue from external customers

	Three months ended 31 March	
	2020 S\$'000 (unaudited)	2019 S\$'000 (unaudited)
Singapore	2,736	2,352
Malaysia	88	126
Australia	30	45
Hong Kong	–	49
Other countries/jurisdictions	–	10
	2,854	2,582

The revenue information above is based on the locations of the customers.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the three months ended 31 March 2020

4. REVENUE, AND OTHER INCOME AND GAINS

Revenue represents the aggregate of service fee income earned from the provision of investment management services, acquisitions and projects management services, property management and tenancy management services, and financial advisory services. An analysis of revenue is as follows:

Three months ended 31 March 2020 (unaudited)	Investment management		Acquisitions and projects management S\$'000	Property management and tenancy management S\$'000	Financial advisory S\$'000	Total revenue S\$'000
	SPV investment management S\$'000	Fund management S\$'000				
Primary geographical markets						
Singapore	411	567	1,114	569	75	2,736
Malaysia	16	-	-	10	62	88
Australia	-	-	30	-	-	30
Hong Kong	-	-	-	-	-	-
Other countries/jurisdictions	-	-	-	-	-	-
	427	567	1,144	579	137	2,854
Timing of services						
At a point in time	427	401	1,096	-	-	1,924
Over time	-	166	48	579	137	930
	427	567	1,144	579	137	2,854

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the three months ended 31 March 2020

4. REVENUE, AND OTHER INCOME AND GAINS (cont'd)

Three months ended 31 March 2019 (unaudited)	Investment management		Project consultancy and management services SS'000	Property management and tenancy management SS'000	Financial advisory SS'000	Total revenue SS'000
	SPV investment management SS'000	Fund management SS'000				
Primary geographical markets						
Singapore	681	405	180	850	236	2,352
Malaysia	116	-	-	10	-	126
Australia	-	-	45	-	-	45
Hong Kong	-	-	-	-	49	49
Other countries/jurisdictions	2	8	-	-	-	10
	799	413	225	860	285	2,582
Timing of services						
At a point in time	781	144	-	-	-	925
Over time	18	269	225	860	285	1,657
	799	413	225	860	285	2,582

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the three months ended 31 March 2020

4. REVENUE, AND OTHER INCOME AND GAINS (cont'd)

	Three months ended	
	31 March	
	2020	2019
	S\$'000	S\$'000
	(unaudited)	(unaudited)
Revenue		
Investment management		
- SPV investment management fees	427	799
- Fund management fees	567	413
Acquisitions and projects management fees	1,144	225
Property management and tenancy management fees	579	860
Financial advisory fees	137	285
	2,854	2,582
Other income and gains		
Government grants*	168	81
Interest income	9	164
Foreign exchange differences, net	51	-
Others	7	2
	235	247

* Government grants were received/are receivable by certain subsidiaries and the Company in connection with employment of senior Singaporean workers under Special Employment Credit, Wage Credit Scheme, Jobs Support Scheme and enhancement/scale up of business capabilities under Capability Development Grant provided by the Singapore Government. There were no unfulfilled conditions or contingencies relating to these grants.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the three months ended 31 March 2020

5. LOSS BEFORE TAX

The Group's loss before tax is arrived at after charging/(crediting):

	Three months ended 31 March	
	2020 S\$'000 (unaudited)	2019 S\$'000 (unaudited)
Auditor's remuneration	41	34
Dividend income from the establishment shares included in SPV investment management fees	(410)	(669)
Foreign exchange differences, net	(51)	36
Professional fees	169	52

6. INCOME TAX EXPENSE

Singapore profits tax has been provided on the estimated assessable profits arising in Singapore at a rate of 17% during the three months ended 31 March 2020 (Three months ended 31 March 2019: Nil). No provision for profits tax has been made in other countries/jurisdictions in which the Group operates as the Group did not generate any assessable profits arising in other countries/jurisdictions during the three months ended 31 March 2020 (Three months ended 31 March 2019: Nil).

The major components of the income tax expenses/(credit) during the periods are as follows:

	Three months ended 31 March	
	2020 S\$'000 (unaudited)	2019 S\$'000 (unaudited)
Current:		
– Provision for current year	4	–
– Overprovision in prior years	(22)	–
Deferred taxation:		
– Origination of temporary differences	25	–
Income tax expense for the period	7	–

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the three months ended 31 March 2020

7. LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

The calculation of basic and diluted loss per share attributable to owners of the Company is based on the following data:

	Three months ended 31 March	
	2020	2019
	S\$'000	S\$'000
	(unaudited)	(unaudited)
<hr/>		
Loss		
Loss for the purpose of calculating basic and diluted loss per share (loss for the period attributable to owners of the Company)	(55)	(313)
	<hr/>	
Number of shares		
Weighted average number of ordinary shares for the purpose of calculating basic and diluted loss per share	2,000,000,000	2,000,000,000
	<hr/>	

8. DIVIDEND

No dividend was paid or proposed by the Company for the three months ended 31 March 2020 (three months ended 31 March 2019: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

The following Management Discussion and Analysis (“**MD&A**”) for the Group has been prepared and reviewed by the management for the three months period ended 31 March 2020 (the “**Review Period**”). All amounts are expressed in Singapore Dollars unless otherwise stated.

The Group’s MD&A is divided into the following sections:

- (1) Executive Overview;
- (2) Financial Review and Business Review;
- (3) Business Outlook; and
- (4) Use of Proceeds

EXECUTIVE OVERVIEW

The Group managed a total of 29 investment structures under the PE structures and fund structures over 28 real estate projects and assets in Singapore, Malaysia, Indonesia and Australia. The Group provided ongoing acquisitions and projects management services to four real estate projects in Singapore and two real estate projects in Australia, delivered ongoing property management services to 12 real estate projects in Singapore, and tenancy management services to one property owner in Malaysia. The Group is currently executing six corporate advisory mandates.

FINANCIAL REVIEW AND BUSINESS REVIEW

The Group reported a net loss of approximately S\$55,000 for the three months ended 31 March 2020 as compared with a net loss of approximately \$313,000 for the corresponding period in 2019. The decrease in net loss was mainly attributable to the increase in revenue.

Revenue

The unaudited revenue of the Group increased by 10.5% or approximately S\$272,000 from approximately S\$2.6 million for the three months ended 31 March 2019 (the “**Previous Period**”) to approximately S\$2.9 million for the Review Period. The increase was mainly attributable to acquisition fee derived from the acquisitions and projects management business segment, partially offset by lower dividends from the investment management business segment and decrease in property management fees as a result of contracts had ceased and/or have not been renewed at the end of the contract term.

MANAGEMENT DISCUSSION AND ANALYSIS

The following table sets forth the breakdown of our operating segment information for the Previous Period and Review Period:

Period ended 31 March 2020 (unaudited)	Investment management		Acquisitions and projects management S\$'000	Property management and tenancy management S\$'000	Financial advisory S\$'000	Total S\$'000
	SPV investment management S\$'000	Fund management S\$'000				
Segment revenue						
External customers	427	567	1,144	579	137	2,854
Segment results	311	105	775	(47)	(259)	885
<i>Reconciliation:</i>						
Other income and gains						235
Corporate and unallocated expenses						(1,168)
Loss before tax						(48)
Period ended 31 March 2019 (unaudited)	Investment management		Acquisitions and projects management S\$'000	Property management and tenancy management S\$'000	Financial advisory S\$'000	Total S\$'000
	SPV investment management S\$'000	Fund management S\$'000				
Segment revenue						
External customers	799	413	225	860	285	2,582
Segment results	551	134	134	(104)	(128)	587
<i>Reconciliation:</i>						
Other income and gains						247
Corporate and unallocated expenses						(1,147)
Loss before tax						(313)

MANAGEMENT DISCUSSION AND ANALYSIS

(a) **Investment Management Services**

i) *SPV investment management*

The unaudited revenue decreased from approximately S\$799,000 for the Previous Period to approximately S\$427,000 for the Review Period, representing a decrease of approximately S\$372,000 or 46.6%. The decrease was mainly due to dividends were derived from two Investment SPVs for the Review Period and four Investment SPVs for the Previous Period. The majority of the investment projects set up by the Group from 2010 to 2015 that were under the SPV investment management structures are maturing or have matured. There was no investment SPV established from 2016 as the Group is now focusing on expanding fund structures which is in line with the Group's current business model.

ii) *Fund management*

The unaudited revenue in fund management services increase from approximately S\$413,000 for the Previous Period to approximately \$567,000 for the Review Period, representing an increase of approximately by S\$154,000 or 37.3%. During the Review Period, the Group realised subscription fees of approximately S\$389,000 from a new development fund (the "**Mandai Fund**") that was established in early 2020. While during the Previous Period, the Group realised establishment fees of approximately S\$133,000 from Landmark Tower Fund and subscription fees of approximately S\$12,000 from ZACD Income Trust. The Group derived lower management fees of approximately S\$124,000 from ZACD Income Trust for the Review Period as compared to the Previous Period mainly due to the Group realised the management fees from the Australia assets' net property income for the first time in the Previous Period following the acquisition of the Australia assets by ZACD Income Trust and performance on the hospitality asset was affected by the bush fires in late 2019 and the COVID-19 outbreak, leading to lower management fees from the net property income for the Review Period.

MANAGEMENT DISCUSSION AND ANALYSIS

(b) *Acquisitions and Projects Management Services*

The unaudited revenue increased from approximately S\$225,000 for the Previous Period to approximately S\$1,144,000 for the Review Period, representing an increase of approximately S\$919,000 or 408.4%. The increase was mainly attributed to an acquisition fee of approximately S\$1.1 million derived from the developer SPV which the fund vehicle of the Company jointly establish with an external business partner, following its efforts to secure and complete the acquisition of a rare freehold site in Mandai Singapore for industrial development in the Review Period.

(c) *Property Management and Tenancy Management Services*

The unaudited revenue decreased from approximately S\$860,000 for the Previous Period to approximately S\$579,000 for the Review Period, representing a decrease of approximately S\$281,000 or 32.7%. The decrease was mainly attributable to the decrease in revenue in the property management services where contracts 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. In this respect, the Group is in the midst of setting up a centralised structure where related administrative functions can be housed to achieve cost efficiency. The Group is rallying to secure new contracts particularly in the prime areas of Singapore which construe higher management fee, expanding our existing offering via tender on facilities management on government-owned properties in Singapore.

(d) *Financial Advisory Services*

The unaudited revenue decreased from approximately \$285,000 for the Previous Period to approximately S\$137,000 for the Review Period, representing a decrease of approximately S\$148,000 or 51.9%. There were more advisory mandates managed and executed in the Previous Period, resulting in higher incremental fee income was realised in the Previous Period. We are actively sourcing for more client mandates to bring this business segment to profit. The Group intends to continue to expand the corporate advisory team in Singapore and Hong Kong to manage and execute current advisory mandates and converting deal leads. The Group continues to focus on the new business segment in the family office management, particularly with family offices located in the Southeast Asia region.

MANAGEMENT DISCUSSION AND ANALYSIS

Other notable items are further elaborated as follows:

Other income and gains

Other income and gains saw an approximately 4.9% decrease from approximately S\$247,000 for the Previous Period to approximately S\$235,000 for the Review Period. This decrease was mainly due to lower interest income derived from bridging loans extended to ZACD Income Trust, ZACD (Development2) Ltd. and ZACD (Shunfu2) Ltd. as the bridging loans were fully repaid in 2019. This was partially offset by government grants in relation to the payout of Jobs Support Scheme announced by the Singapore Government to provide cashflow support to businesses during this period of economic uncertainty affected by the COVID-19 outbreak.

Staff costs

Staff costs consist of salaries, bonuses, commission, other allowances and retirement benefit scheme contributions. Total staff costs for the Review Period decreased slightly by S\$44,000 as compared to Previous Period.

As at the end of Review Period, the Group had 95 employees as compared to 115 as at the end of the Previous Period. While headcount decreased mainly in the property management services with the majority being site staff due to some property management contracts had ceased and/or have not been renewed, the Group continues to recruit professional staff to expand its business segments for growth though remaining cautious in the implementation of its business expansion plan. Employees are remunerated according to their performance and work experience. On top of basic salaries, discretionary bonuses may be granted to eligible staff depending on the Group's achievements as well as the individual's performance.

Other expenses, net

Other expenses, net increased by approximately 6.5% from approximately S\$743,000 for the Previous Period to approximately S\$791,000 for the Review Period. The increase was mainly due to increase in fees payment for referral programs on successful enrolment of investors into the Group's new funds, partially offset by the decrease in the property repair and maintenance outsourcing expenses as a result of the decrease in the number of property management contracts.

MANAGEMENT DISCUSSION AND ANALYSIS

Income tax expense

The increase in income tax expense for the Review Period was mainly attributable to the increase in the deferred tax liabilities as a result of capitalised contract cost, partially offset by deferred tax assets on tax losses from some of the fellow subsidiaries. Singapore profits tax has been provided on the estimated assessable profits arising in Singapore at a rate of 17% during the Review Period. No provision for profits tax has been made in other countries/jurisdictions in which the Group operates as the Group did not generate any assessable profits arising in other countries/jurisdictions during the Review Period.

Loss for the period attributable to owners of the Company

As a result of the foregoing, we recorded loss for the period attributable to the owners of the Group of approximately S\$55,000 for the Review Period as compared to loss of approximately S\$313,000 for the Previous Period.

Contingent Liabilities

On 20 March 2020, the Company entered into a deed to provide a guarantee in the aggregate of the principal amount of S\$28,985,400 and any interest, commission, fees and expenses accrued thereon, to secure loan facilities in relation to an industrial development project located at 7 Mandai Estate, Singapore (the "**Mandai Development**"). This amount represents 60.0% of the total liabilities of the underlying Development SPV under a facility agreement in the underlying Development SPV. In terms of the above, the Company, acting as the sponsor of the ZACD (CS) Ltd (the "**Mandai Fund**"), by way of indirectly holding the nominal share capital of the corporate entity of the Mandai Fund, is required by the security agent to provide the guarantee for the loan facilities which will be applied towards the payments of the purchase price, development premium, construction cost and related development costs of the Mandai Development. Mandai Fund is managed by ZACD Capital Pte. Ltd. which acts as its fund manager.

On 7 August 2019, the Company entered into a deed to provide a guarantee in the aggregate of the principal amount of S\$150,744,796 and any interest, commission, fees and expenses accrued thereon, to secure loan facilities in relation to a residential redevelopment project located at 173 Chin Swee Road, Singapore (the "**Landmark Development**"). This amount represents 39.2% of the total liabilities of the underlying Development SPV under a facility agreement. In terms of the above, the Company, acting as the sponsor of the ZACD (Development2) Ltd. (the "**LT Fund**"), by way of indirectly holding the nominal share capital of the corporate entity of the LT Fund, is required by the security agent to provide the guarantee for the loan facilities which will be applied towards the payments of the purchase price, differential premium, construction cost and related development costs of the Landmark Development. LT Fund is managed by ZACD Capital Pte. Ltd. which acts as its fund manager.

MANAGEMENT DISCUSSION AND ANALYSIS

On 6 June 2018, the Company entered into a deed to provide a guarantee in the aggregate of the principal amount of S\$38,015,040 and any interest, commission, fees and expenses accrued thereon, to secure loan facilities in relation to a mixed-use development project located at Bukit Batok West Avenue 6, Singapore (the “**BBW6 Development**”). This amount represents 12.0% of the total liabilities of the underlying development SPVs under a facility agreement in proportion of the shareholding of ZACD (BBW6) Ltd.’s (the “**BBW6 Fund**”) in the underlying development SPVs. In terms of the above, the Company, acting as the sponsor of the BBW6 Fund by way of indirectly holding the nominal share capital of the corporate entity of the BBW6 Fund, is required by the security agent to provide the guarantee for the loan facilities which will be applied towards the payments of the purchase price, development premium, construction cost and related development costs of the BBW6 Development. BBW6 Fund is managed by ZACD Capital Pte. Ltd. which acts as its fund manager.

On 16 January 2018, the Company entered into a deed to provide a guarantee in the aggregate of the principal amount of S\$152,800,000 and any interest, commission, fees and expenses accrued thereon, to secure loan facilities in relation to a residential real estate project located at Shunfu Road in Singapore (the “**Shunfu Development**”). This amount represents 20.0% of the total liabilities of the underlying development SPV under a facility agreement in proportion of the shareholding of ZACD (Shunfu) Ltd. and ZACD (Shunfu2) Ltd.’s (the “**Shunfu Funds**”) in the underlying development SPV. In terms of the above, the Company, acting as the sponsor of the Shunfu Funds by way of indirectly holding the nominal share capital of the corporate entity of the Shunfu Funds, are required by the security agent to provide the guarantee for the loan facilities which will be applied towards the payments of the purchase price, development premium, construction cost and related development costs of the Shunfu Development. Shunfu Funds are managed by ZACD Capital Pte. Ltd. which acts as its fund manager.

Other than as disclosed above, the Group did not have any contingent liabilities at the end of each of the reporting periods.

Commitments

At the end of the Review Period, the Group had no significant commitments.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS OUTLOOK

Since the outbreak of COVID-19, the Singapore government has taken emergency public health measures and various actions to prevent the spread of COVID-19. The measures include the closure of workplace premises, retail outlets except for those necessary to support the daily living needs of the population in Singapore (the “**Circuit Breaker Period**”). The Circuit Breaker Period has been extended until 1 June 2020 (inclusive) following the Singapore government’s announcement on tighter measures to curb further spread of COVID-19 on 21 April 2020.

The Group’s principal place of business is in Singapore, such measures will lead to disruption to the normal operations of the Group in Singapore and may have an impact on the Group’s performance and business expansion plans. In the meantime, the Group will continue to strengthen its cost control measures substantially in order to mitigate the adverse impact from the COVID-19 outbreak. The Group will continue to monitor the situation amid the COVID-19 outbreak and the risks and uncertainties faced by the Group as a result thereof and make further adjustments to its operations and business strategies as and when required.

Our Singapore investment projects will be experiencing slower progress than expected in particular the residential projects. The sales launch of the redevelopment project, the Landmark acquired by LT Fund is delayed as the project face supply chain disruptions due to the Circuit Breaker Period.

With respect to our global investments, the Australia real estate assets invested by ZACD Income Trust experienced business disruptions as the hospitality industry was impacted by global travel bans and restrictions. We hope to see improvement on the performance of the hospitality asset in the second half of the year as government authorities work to rein in the impact of COVID-19 and roll out easing monetary schemes and policies to promote growth.

Despite the economic uncertainty affected by the COVID-19 outbreak, we view this as an opportunity to grow and expand the Group’s pipeline projects for our investment management business and acquisitions and projects management business including source, identify and acquire assets with attractive returns and looking at distressed assets with redevelopment/turnaround potential when a profitable opportunity arises.

We also plan to extend our portfolio of estates under management and continue to participate actively in government tenders on facilities management on government-owned properties in Singapore.

MANAGEMENT DISCUSSION AND ANALYSIS

The Group intends to continue to expand the corporate advisory team in Singapore and Hong Kong to manage and execute current advisory mandates and converting deal leads. The Group continues to focus on the new business segment in the family office management, particularly with family offices located in the Southeast Asia region.

USE OF PROCEEDS

Total net proceeds raised from the Company's listing in January 2018 approximated HK\$125.2 million (\$\$21.6 million) after deducting underwriting commissions and all related expenses. On 13 March 2020, the Directors resolved to change the use and allocation of the unutilised net proceeds to the bridging reserve fund to further enhance the competitive advantages of the investment management business and to expand the Group's future fund product offerings by further expanding the use of the bridging reserve fund as an initial investment capital to help the Group to seed-fund potential real estate projects where required. For details, please refer to the Company's announcement dated 13 March 2020.

Set out below are details of the use of proceeds up to 31 March 2020:

	Original allocation of net proceeds S\$'000	The reallocation of the use of proceeds S\$'000	Revised use of net proceeds S\$'000	Utilised amount up to 31 March 2020 S\$'000
Bridging reserve fund	8,900	7,235	16,135	16,135 (100%)
Investment management	3,400	(2,651)	749	749 (100%)
Acquisitions and projects management (Note 1)	900	(325)	575	575 (100%)
Property & tenancy management	3,300	(1,589)	1,711	1,711 (100%)
Financial advisory	3,500	(2,670)	830	830 (100%)
General working capital	1,600	–	1,600	1,600 (100%)
	21,600	–	21,600	21,600 (100%)

Note 1: The segment was previously known as "Project consultancy and management". The change in the name of the business segment was mainly to better reflect the current business activities undertaken and to better position the Group's services to its clients in this segment.

CORPORATE GOVERNANCE AND OTHER INFORMATION

CORPORATE GOVERNANCE PRACTICES

The Board has adopted the principles and the code provisions of Corporate Governance Code (“**CG Code**”) contained in Appendix 15 to the GEM Listing Rules. During the three months ended 31 March 2020 and up to the date of this announcement, the Company has complied with all applicable code provisions of the CG Code as set out in Appendix 15 to the GEM Listing Rules.

DIRECTORS’ AND CHIEF EXECUTIVE’S INTERESTS AND LONG POSITIONS IN SHARES AND UNDERLYING SHARES AND DEBENTURES

At 31 March 2020, the interests and long positions of the Directors and chief executive in the share capital and underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong, the “**SFO**”), as recorded in the register required to be kept by the Company pursuant to section 352 of the SFO, or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, were as follows:

Long positions in ordinary shares of the Company:

Name of Director	Name of corporation	Nature of interest and capacity	Number of shares held	Percentage of total issued shares	Number of underlying shares interested	Percentage of total issued shares
Mr. Yeo	Our Company (Note 1)	Interest in a controlled corporation	1,328,800,000 ordinary shares	66.44%	-	-
Ms. Sim	Our Company (Note 1)	Interest in a controlled corporation	1,328,800,000 ordinary shares	66.44%	-	-
Mr. Yeo	ZACD Investments Pte. Ltd.	Beneficial owner	867,000 ordinary shares	51%	-	-
Ms. Sim	ZACD Investments Pte. Ltd.	Beneficial owner	833,000 ordinary shares	49%	-	-
Mr. Yeo/Ms. Sim	ZACD Land Pte. Ltd. (Note 2)	Interest in a controlled corporation	2 ordinary shares	100%	-	-

CORPORATE GOVERNANCE AND OTHER INFORMATION

Name of Director	Name of corporation	Nature of interest and capacity	Number of shares held	Percentage of total issued shares	Number of underlying shares interested	Percentage of total issued shares
Mr. Yeo/Ms. Sim	ZACD Property Pte. Ltd. (Note 3)	Interest in a controlled corporation	2 ordinary shares	100%	-	-
Mr. Yeo/Ms. Sim	ZACD Treasury Limited (Note 4)	Interest in a controlled corporation	10,000 ordinary shares	100%	-	-
Mr. Yeo/Ms. Sim	ZACD CRF (Woodlands) Pte. Ltd. (Note 5)	Interest in a controlled corporation	1,530 ordinary shares	51%	-	-
Mr. Yeo/Ms. Sim	ZACD (Neew) Pte. Ltd. (Note 6)	Interest in a controlled corporation	2 ordinary shares	100%	194 ordinary	9,700%
Mr. Yeo/Ms. Sim	ZACD (Berwick Drive) Pte. Ltd. (Note 7)	Interest in a controlled corporation	2 ordinary shares	100%	-	-
Mr. Yeo/Ms. Sim	ZACD (Tuas Bay) Pte. Ltd. (Note 8)	Interest in a controlled corporation	2 ordinary shares	100%	121 ordinary shares	6,050%
Mr. Yeo/Ms. Sim	ZACD (Gambas) Pte. Ltd. (Note 9)	Interest in a controlled corporation	2 ordinary shares	100%	-	-
Mr. Yeo/Ms. Sim	ZACD (Neew2) Pte. Ltd. (Note 10)	Interest in a controlled corporation	2 ordinary shares	100%	70 ordinary shares	3,500%
Mr. Yeo/Ms. Sim	ZACD (Jurong) Pte. Ltd. (Note 11)	Interest in a controlled corporation	2 ordinary shares	100%	171 ordinary shares	8,550%
Mr. Yeo/Ms. Sim	ZACD Development Sdn. Bhd. (Note 12)	Interest in a controlled corporation	100 ordinary shares	100%	-	-
Mr. Yeo/Ms. Sim	ZACD Development (Kulai) Sdn. Bhd. (Note 13)	Interest in a controlled corporation	2 ordinary shares	100%	-	-

CORPORATE GOVERNANCE AND OTHER INFORMATION

Notes:

1. Mr. Yeo and Ms. Sim are spouses and hold 51% and 49% of the total issued capital of ZACD Investments respectively. As such, both of them are deemed to be interested in all the Shares held by ZACD Investments by virtue of the SFO.
2. Mr. Yeo and Ms. Sim hold 51% and 49% of the total issued capital of ZACD Investments respectively. As such, both of them are deemed to be interested in all the issued shares of ZACD Land Pte. Ltd. held by ZACD Investments by virtue of the SFO.
3. Mr. Yeo and Ms. Sim hold 51% and 49% of the total issued capital of ZACD Investments respectively. As such, both of them are deemed to be interested in all the issued shares of ZACD Property Pte. Ltd. held by ZACD Investments by virtue of the SFO.
4. Mr. Yeo and Ms. Sim hold 51% and 49% of the total issued capital of ZACD Investments respectively. As such, both of them are deemed to be interested in all the shares of ZACD Treasury Limited held by ZACD Investments by virtue of the SFO.
5. Mr. Yeo and Ms. Sim hold 51% and 49% of the total issued capital of ZACD Investments, which in turn holds 51% of the total issued capital of ZACD CRF (Woodlands) Pte. Ltd.. As such, both of them are deemed to be interested in 51% of the total issued shares of ZACD CRF (Woodlands) Pte. Ltd. directly held by ZACD Investments by virtue of the SFO.
6. Mr. Yeo and Ms. Sim hold 51% and 49% of the total issued capital of ZACD Investments respectively. Pursuant to a convertible loan agreement dated 6 February 2015 (as amended by a supplemental deed dated 30 September 2016) entered into, between, among others, ZACD Investments and ZACD (Neew) Pte. Ltd., ZACD Investments agreed to make available to ZACD (Neew) Pte. Ltd. a non-interest bearing convertible loan in the principal amount of S\$2,000,000, and the outstanding convertible loan representing not more than a certain amount shall be converted into 19.40% of the enlarged issued capital of ZACD (Neew) Pte. Ltd. after conversion upon the date of issue of a temporary occupation permit in relation to the underlying property acquired by ZACD (Neew) Pte. Ltd. As such, Mr. Yeo and Ms. Sim are deemed to be interested in (i) the shares of ZACD (Neew) Pte. Ltd. held by ZACD Investments and (ii) the underlying shares which are to be converted into by such convertible loan granted by ZACD Investments to ZACD (Neew) Pte. Ltd. by virtue of the SFO.
7. Mr. Yeo and Ms. Sim hold 51% and 49% of the total issued capital of ZACD Investments respectively. As such, both of them are deemed to be interested in all the issued shares of ZACD (Berwick Drive) Pte. Ltd. held by ZACD Investments by virtue of the SFO.

CORPORATE GOVERNANCE AND OTHER INFORMATION

8. Mr. Yeo and Ms. Sim hold 51% and 49% of the total issued capital of ZACD Investments respectively. Pursuant to a convertible loan agreement dated 27 May 2013 (as amended by a supplemental deed dated 30 September 2016) entered into, between, among others, ZACD Investments and ZACD (Tuas Bay) Pte. Ltd., ZACD Investments agreed to make available to ZACD (Tuas Bay) Pte. Ltd. a non-interest bearing convertible loan in the principal amount of S\$1,100,000, and the outstanding convertible loan representing not more than a certain amount shall be converted into 12.10% of the enlarged issued capital of ZACD (Tuas Bay) Pte. Ltd. after conversion upon the date of issue of a temporary occupation permit in relation to the underlying property acquired by ZACD (Tuas Bay) Pte. Ltd. As such, Mr. Yeo and Ms. Sim are deemed to be interested in (i) the shares of ZACD (Tuas Bay) Pte. Ltd. held by ZACD Investments and (ii) the underlying shares which are to be converted into by such convertible loan granted by ZACD Investments to ZACD (Tuas Bay) Pte. Ltd. by virtue of the SFO.
9. Mr. Yeo and Ms. Sim hold 51% and 49% of the total issued capital of ZACD Investments respectively. As such, both of them are deemed to be interested in all the issued shares of ZACD (Gambas) Pte. Ltd. held by ZACD Investments by virtue of the SFO.
10. Mr. Yeo and Ms. Sim hold 51% and 49% of the total issued capital of ZACD Investments respectively. Pursuant to a convertible loan agreement dated 6 August 2015 (as amended by a supplemental deed dated 30 September 2016) entered into, between, among others, ZACD Investments and ZACD (Neew2) Pte. Ltd., ZACD Investments agreed to make available to ZACD (Neew2) Pte. Ltd. a non-interest bearing convertible loan in the principal amount of S\$300,000, and the outstanding convertible loan representing not more than a certain amount shall be converted into 7.00% of the enlarged issued capital of ZACD (Neew2) Pte. Ltd. after conversion upon the date of issue of a temporary occupation permit in relation to the underlying property acquired by ZACD (Neew2) Pte. Ltd. As such, Mr. Yeo and Ms. Sim are deemed to be interested in (i) the shares of ZACD (Neew2) Pte. Ltd. held by ZACD Investments and (ii) the underlying shares which are to be converted into by such convertible loan granted by ZACD Investments to ZACD (Neew2) Pte. Ltd. by virtue of the SFO.
11. Mr. Yeo and Ms. Sim hold 51% and 49% of the total issued capital of ZACD Investments respectively. Pursuant to a convertible loan agreement dated 13 February 2013 (as amended by a supplemental deed dated 30 September 2016) entered into, between, among others, ZACD Investments and ZACD (Jurong) Pte. Ltd., ZACD Investments agreed to make available to ZACD (Jurong) Pte. Ltd. a non-interest bearing convertible loan in the principal amount of S\$3,830,000, and the outstanding convertible loan representing not more than a certain amount shall be converted into 17.10% of the enlarged issued capital of ZACD (Jurong) Pte. Ltd. after conversion upon the date of issue of a temporary occupation permit in relation to the underlying property acquired by ZACD (Jurong) Pte. Ltd. As such, Mr. Yeo and Ms. Sim are deemed to be interested in (i) the shares of ZACD (Jurong) Pte. Ltd. held by ZACD Investments and (ii) the underlying shares which are to be converted into by such convertible loan granted by ZACD Investments to ZACD (Jurong) Pte. Ltd. by virtue of the SFO.

CORPORATE GOVERNANCE AND OTHER INFORMATION

12. Mr. Yeo and Ms. Sim hold 51% and 49% of the total issued capital of ZACD Investments respectively. As such, both of them are deemed to be interested in all the shares of ZACD Development Sdn. Bhd. held by ZACD Investments by virtue of the SFO.
13. Mr. Yeo and Ms. Sim hold 51% and 49% of the total issued capital of ZACD Investments which holds the entire issued capital of ZACD Development Sdn. Bhd. which in turn holds the entire issued capital of ZACD Development (Kulai) Sdn. Bhd. As such, both of them are deemed to be interested in all the issued shares of ZACD Development (Kulai) Sdn. Bhd. indirectly held by ZACD Investments by virtue of the SFO.

Save as disclosed above, as at 31 March 2020, none of the Directors and chief executive of the Company had any other interests or short positions in any shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, to be entered in the register of members of the Company or which were required to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

At 31 March 2020, the following interests and short positions of 5% or more of the share capital of the Company were recorded in the register of interests required to be kept by the Company pursuant to section 336 of the SFO:

Interest:

Name	Capacity/Nature of interest	Number of ordinary shares held	Percentage of total issued share capital of the Company
Mr. Yeo	Interest in a controlled Corporation (Note)	1,328,800,000	66.44%
Ms. Sim	Interest in a controlled Corporation (Note)	1,328,800,000	66.44%
ZACD Investments	Beneficial owner (Note)	1,328,800,000	66.44%

CORPORATE GOVERNANCE AND OTHER INFORMATION

Note:

Mr. Yeo and Ms. Sim are spouses and hold 51% and 49% of the total issued capital of ZACD Investments Pte. Ltd. respectively. As such, both of them are deemed to be interested in all the Shares held by ZACD Investments by virtue of the SFO.

Save as disclosed above, as at 31 March 2020, the Company had not been notified by any person who had interests or short positions in the shares, underlying shares or debentures of the Company which fall under the provisions of Divisions 2 and 3 of Part XV of the SFO to be disclosed to the Company, or which were recorded in the register required to be kept by the Company under section 336 of the SFO.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries have purchased, sold or redeemed any of the Company's listed securities during the three months ended 31 March 2020.

INTERESTS OF THE COMPLIANCE ADVISER

Neither the Group's compliance adviser, Innovax Capital Limited, nor any of its directors, employees or close associates had any interests in the securities of the Company or any member of the Group (including options or rights to subscribe for such securities), which is required to be notified to the Company pursuant to Rule 6A.32 of the GEM Listing Rules.

CORPORATE GOVERNANCE AND OTHER INFORMATION

AUDIT COMMITTEE

The Audit Committee was established pursuant to a resolution of the directors passed on 13 December 2017 in compliance with Rule 5.28 of the GEM Listing Rules and with written terms of reference in compliance with the Corporate Governance Code and the Corporate Governance Report as set out in Appendix 15 to the GEM Listing Rules. The primary duties of the Audit Committee include (i) making recommendations to the Board on the appointment and removal of external auditors; (ii) reviewing the financial statements and providing advice in respect of financial reporting process; (iii) overseeing the risk management and internal control systems of the Group; and (iv) monitoring continuing connected transactions (if any).

The Audit Committee currently consists of all three of the independent non-executive directors, namely Mr. Kong Chi Mo, Dato' Dr. Sim Mong Keang and Mr. Lim Boon Yew and the chairman is Mr. Kong Chi Mo. The Audit Committee with senior management have reviewed the First Quarterly Results of the Group for the three months ended 31 March 2020.

By Order of the Board

ZACD Group Ltd.
Sim Kain Kain

Chairman and Executive Director

Hong Kong, 12 May 2020

As at the date of this report, 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.