

zacd

ZACD GROUP LTD.

杰地集团有限公司*

(A company incorporated in Singapore with limited liability)
Stock Code: 8313



2024
INTERIM REPORT

* 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.*

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, 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. Mark Oh Keng Kwan (*Deputy CEO*)
Mr. Patrick Chin Meng Liong (*CLO*)
Mr. Tan Puay Khiang, Francis (*COO*)
(appointed on 6 June 2024)
Mr. Han Xiangfeng
(appointed on 6 June 2024)

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Lau Kin Chung Alex
(appointed on 24 April 2024)
Mr. Ma Yue Leong, Benjamin
(appointed on 24 April 2024)
Mr. Eugene Lim Chin Hon
Mr. Kong Chi Mo
(retired on 24 April 2024)
Dato' Dr. Sim Mong Keang
(retired on 24 April 2024)

AUDIT COMMITTEE

Mr. Lau Kin Chung Alex (*Chairman*)
Mr. Ma Yue Leong, Benjamin
Mr. Eugene Lim Chin Hon

REMUNERATION COMMITTEE

Mr. Ma Yue Leong, Benjamin (*Chairman*)
Ms. Sim Kain Kain
Mr. Lau Kin Chung Alex
Mr. Eugene Lim Chin Hon

NOMINATION COMMITTEE

Mr. Eugene Lim Chin Hon (*Chairman*)
Mr. Yeo Choon Guan (*Yao Junyuan*) (*CEO*)
Mr. Lau Kin Chung Alex
Mr. Ma Yue Leong, Benjamin

AUTHORISED REPRESENTATIVES

Mr. Patrick Chin Meng Liong (*CLO*)
Mr. Ip Pui Sum

JOINT COMPANY SECRETARIES

As to Hong Kong Law

Mr. Ip Pui Sum

As to Singapore Law

Mr. Tan Kim Swee Bernard

COMPLIANCE OFFICER

Mr. Patrick Chin Meng Liong (*CLO*)

COMPLIANCE ADVISER

Innovax Capital Limited

AUDITOR

Ernst & Young LLP

REGISTERED OFFICE

300 Beach Road
#34-05 The Concourse
Singapore 199555

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN SINGAPORE

300 Beach Road
#34-05 The Concourse
Singapore 199555

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

20/F, Winbase Centre
208 Queen's Road Central
Sheung Wan, 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.
9 Raffles Place
#26-01 Republic Plaza
Singapore 048619

HONG KONG SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

STOCK CODE

8313

COMPANY'S WEBSITE

www.zacdgroup.com

FINANCIAL HIGHLIGHTS

For the six months ended 30 June 2024

INTERIM RESULTS & FIVE-YEAR FINANCIAL SUMMARY

A summary of the results and of the assets, liabilities and equity of the Group for the recent interim results and the last five financial years, as extracted from the published audited financial statements is set out below.

Financial Results	Interim results			Annual results			
	30 June 2024	30 June 2023	2023	2022	2021	2020	2019
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Revenue	1,755	5,305	9,906	3,983	5,596	5,325	14,919
(Loss)/profit before tax	(1,249)	1,777	2,414	(2,423)	7,515	(20,330)	4,994
(Loss)/profit for the period/year	(1,419)	1,438	1,737	(2,707)	7,461	(20,263)	4,622
(Loss)/earnings per share (Singapore cents)	(0.07)	0.07	0.09	(0.14)	0.37	(1.01)	0.23

Financial Position	At 30 June		At 31 December			
	2024	2023	2022	2021	2020	2019
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Total assets	29,573	31,596	27,454	28,316	21,600	40,365
Total liabilities	8,866	9,109	6,501	4,586	5,009	2,780
Net current assets	20,375	21,736	20,443	23,429	17,342	34,204
Net assets	20,707	22,487	20,953	23,730	16,591	37,585
Net assets per share (Singapore cents)	1.03	1.12	1.05	1.19	0.83	1.88

FINANCIAL HIGHLIGHTS

For the six months ended 30 June 2024

- The Group reported a net loss of S\$1.42 million for the six months ended 30 June 2024 (the "**Review Period**") as opposed to a net profit of S\$1.44 million for the six months ended 30 June 2023 (the "**Previous Period**"), representing a turn from profit to loss of approximately S\$2.86 million or 198.7%. The decline in earnings was mainly attributable to the decrease in revenue by S\$3.55 million and fair value loss of financial derivative by S\$0.39 million, partially offset by the decrease in staff costs by S\$0.85 million, professional fees by S\$0.10 million and income tax expense by S\$0.17 million.
- The revenue of the Group decreased by S\$3.55 million from S\$5.31 million Previous Period to approximately S\$1.76 million for Review Period. The decrease was mainly attributable to absence of project management fee of S\$2.98 million earned from a developer SPV and lower performance fees derived from a couple of real estate funds managed by the Group by approximately S\$0.68 million in the Review Period.
- Total staff costs decreased from S\$2.83 million for the Previous Period to S\$1.98 million for the Review Period, representing an decrease of S\$0.85 million or 30.0%. The decrease was mainly due to decrease in the number of headcounts. As at the end of Review Period, the Group had 22 employees as compared to 34 as at the end of Previous Period. The Group further streamlined its operations to control this cost element, thus resulting in the reduction in the headcounts.
- No dividend was paid or proposed by the Company for the six months ended 30 June 2024 (six months ended 30 June 2023: Nil).
- Basic and diluted loss per share during the six months ended 30 June 2024 was approximately 0.07 Singapore cents (six months ended 30 June 2023: profit of 0.07 Singapore cents).

REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

To the Members of ZACD Group Ltd.

INTRODUCTION

We have reviewed the accompanying interim condensed consolidated financial statements of ZACD Group Ltd. (the “**Company**”) and its subsidiary companies (collectively, the “**Group**”) which comprise the interim condensed consolidated statement of financial position as at 30 June 2024 and the related interim condensed consolidated statements of profit or loss, comprehensive income, changes in equity, and cash flows for the six months then ended and explanatory notes. Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard 34 Interim Financial Reporting (IAS 34). Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

SCOPE OF REVIEW

We conducted our review in accordance with International Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.

Ernst & Young LLP

Public Accountants and Chartered Accountants
Singapore

7 August 2024

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2024

	Note	Six months ended 30 June	
		2024	2023
		S\$'000	S\$'000
		(unaudited)	(unaudited)
Revenue	4	1,755	5,305
Other income and gains	4	472	487
Staff costs		(1,984)	(2,833)
Depreciation expense		(52)	(52)
Amortisation of right-of-use assets		(126)	(123)
Amortisation of capitalised contract costs		(67)	(79)
Reversal of/(impairment losses) on financial assets	5	7	(65)
Marketing expenses		–	(18)
Other expenses, net		(677)	(668)
Interest expense		(292)	(285)
Fair value (loss)/gain on financial derivative	18	(285)	108
(Loss)/profit before tax	5	(1,249)	1,777
Income tax expense	6	(170)	(339)
(Loss)/profit for the period attributable to owners of the Company		(1,419)	1,438
(Loss)/earnings per share attributable to owners of the Company	7		
— Basic and diluted (Singapore cents)		(0.07)	0.07

The accompanying accounting policies and explanatory notes form an integral part of the interim condensed consolidated financial statements.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2024

	Note	Six months ended 30 June	
		2024 S\$'000 (unaudited)	2023 S\$'000 (unaudited)
(Loss)/profit for the period		(1,419)	1,438
Other comprehensive (loss)/income:			
<u>Items that will not be reclassified to profit or loss:</u>			
Fair value changes on investment in equity securities		(348)	27
<u>Items that may be reclassified subsequently to profit or loss:</u>			
Exchange differences on translation of foreign operations		(13)	(20)
Other comprehensive (loss)/income for the period		(361)	7
Total comprehensive (loss)/income for the period attributable to owners of the Company		(1,780)	1,445

The accompanying accounting policies and explanatory notes form an integral part of the interim condensed consolidated financial statements.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2024

	Note	30 June 2024 \$'000 (unaudited)	31 December 2023 \$'000 (audited)
Non-current assets			
Property, plant and equipment	9	159	203
Right-of-use assets	9	282	390
Investment in equity securities	10	381	570
Investment in fund entities	10	1,673	1,832
Prepayments, deposits and other receivables	13	203	215
Total non-current assets		2,698	3,210
Current assets			
Trade receivables	11	3,655	4,135
Amount due from ultimate holding company		–	14
Amounts due from related parties (non-trade)		415	621
Prepayments, deposits and other receivables	13	553	471
Capitalised contract costs	12	270	337
Loans and related receivables	14	13,207	8,203
Cash and cash equivalents	15	8,775	14,605
Total current assets		26,875	28,386
Current liabilities			
Other payables and accruals		2,361	2,522
Amount due to ultimate holding company		10	–
Amounts due to related parties (non-trade)		2,325	2,092
Lease liabilities	17	121	249
Income tax payable		903	1,018
Bank borrowing	16	780	769
Total current liabilities		6,500	6,650
Net current assets		20,375	21,736

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2024

	Note	30 June 2024 \$'000 (unaudited)	31 December 2023 \$'000 (audited)
Non-current liabilities			
Lease liabilities	17	197	183
Bank borrowing	16	198	590
Deferred tax liabilities		57	57
Financial derivative	18	1,914	1,629
Total non-current liabilities		2,366	2,459
Net assets		20,707	22,487
Equity			
Share capital	19	29,866	29,866
Reserves		(9,159)	(7,379)
Total equity		20,707	22,487

The accompanying accounting policies and explanatory notes form an integral part of the interim condensed consolidated financial statements.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2024

Group	Share capital (Note 19) S\$'000	Investment in equity securities revaluation reserve S\$'000	Investment in fund entities revaluation reserve S\$'000	Exchange fluctuation reserve S\$'000	Capital reserve S\$'000	Accumulated losses S\$'000	Total equity S\$'000
Six months ended 30 June 2024							
At 1 January 2024 (audited)	29,866	570*	353*	15*	1,491*	(9,808)*	22,487
Profit for the period	-	-	-	-	-	(1,419)	(1,419)
Other comprehensive loss for the period:							
Exchange differences on translation of foreign operations	-	-	-	(13)	-	-	(13)
Fair value changes on investment in equity securities	-	(189)	(159)	-	-	-	(348)
Total comprehensive loss for the period	-	(189)	(159)	(13)	-	(1,419)	(1,780)
At 30 June 2024 (unaudited)	29,866	381*	194*	2*	1,491*	(11,227)*	20,707

* These reserve accounts comprise the consolidated reserves of (S\$7,379,000) and (S\$9,159,000) in the interim condensed consolidated statements of financial position as at 31 December 2023 and 30 June 2024 respectively.

The accompanying accounting policies and explanatory notes form an integral part of the interim condensed consolidated financial statements.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2024

Group	Share capital (Note 19) S\$'000	Investment in equity securities revaluation reserve S\$'000	Investment in fund entities revaluation reserve S\$'000	Exchange fluctuation reserve S\$'000	Capital reserve S\$'000	Accumulated losses S\$'000	Total equity S\$'000
Six months ended 30 June 2023							
At 1 January 2023 (audited)	29,866	720*	413*	8*	1,491*	(11,545)*	20,953
Loss for the period	-	-	-	-	-	1,438	1,438
Other comprehensive income/(loss) for the period:							
Exchange differences on translation of foreign operations	-	-	-	(20)	-	-	(20)
Fair value changes on investment in equity securities	-	40	(13)	-	-	-	27
Total comprehensive income/(loss) for the period	-	40	(13)	(20)	-	1,438	1,445
At 30 June 2023 (unaudited)	29,866	760*	400*	(12)*	1,491*	(10,107)*	22,398

* These reserve accounts comprise the consolidated reserves of (S\$8,913,000) and (S\$7,468,000) in the interim condensed consolidated statements of financial position as at 31 December 2022 and 30 June 2023 respectively.

The accompanying accounting policies and explanatory notes form an integral part of the interim condensed consolidated financial statements.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2024

	Six months ended	
	30 June	
	2024	2023
	S\$'000	S\$'000
	(unaudited)	(unaudited)
Cash flows from operating activities		
(Loss)/profit before tax	(1,249)	1,777
Adjustments for:		
Depreciation of property, plant and equipment	52	52
Amortisation of right-of-use assets	126	123
Amortisation of capitalised contract costs	67	79
(Reversal of)/impairment loss on trade receivables, net	(7)	65
Fair value loss/(gain) on financial derivative	285	(108)
Gain on disposal of motor vehicle	–	(69)
Interest income	(374)	(267)
Interest expense	292	285
Operating cash flows before changes in working capital	(808)	1,937
Changes in working capital:		
Decrease/(increase) in trade receivables	487	(35)
Increase in prepayments, deposits and other receivables	(71)	(3,308)
Increase in capitalised contract costs	(18)	(15)
(Decrease)/increase in trade payables, other payables and accruals	(182)	596
Cash used in operations	(592)	(825)
Income tax paid	(287)	–
Net cash flows used in operating activities	(879)	(825)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2024

	Six months ended	
	30 June	
	2024	2023
	S\$'000	S\$'000
	(unaudited)	(unaudited)
Cash flows from investing activities		
Purchases of property, plant and equipment	(8)	(41)
Decrease/(increase) in amounts due from related parties	206	(347)
Proceeds from disposal of fixed assets	–	79
Loans granted to related parties	(4,655)	–
Redemption of redeemable preference shares	1	–
Repayment from bridging loans and related interest receivables, net	63	1,755
Interest received	–	59
Net cash flows (used in)/generated from investing activities	(4,393)	1,505
Cash flows from financing activities		
Increase in amount due to ultimate holding company	14	–
Increase in amounts due to related parties	243	1,785
Repayment of obligations under finance leases	(3)	–
Repayment of lease liabilities	(124)	(139)
Repayment of bank borrowing	(381)	(370)
Interest paid	(295)	(149)
Net cash flows (used in)/generated from financing activities	(546)	1,127
Net (decrease)/increase in cash and cash equivalents	(5,818)	1,807
Cash and cash equivalents at beginning of period	14,605	7,661
Effect of foreign exchange rate changes, net	(12)	(22)
Cash and cash equivalents at end of period	8,775	9,446

The accompanying accounting policies and explanatory notes form an integral part of the interim condensed consolidated financial statements.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

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 300 Beach Road, #34-05 The Concourse, Singapore 199555.

The Company is an investment holding company. During the financial periods, the Company’s subsidiaries were 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.

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

2.1 Basis of preparation

The interim condensed consolidated financial statements of the Group for the six months ended 30 June 2024 have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting (“**IAS 34**”).

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s audited consolidated financial statements for the year ended 31 December 2023.

The interim condensed consolidated financial statements are presented in Singapore dollars (“**S\$**”) and all values are rounded to the nearest thousand (“**S\$’000**”) except when otherwise indicated.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

2. BASES OF PREPARATION AND CHANGES TO THE GROUP'S ACCOUNTING POLICIES (cont'd)

2.2 New standards, interpretations and amendments adopted by the Group

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2023, except for the adoption of new standards effective as of 1 January 2024. 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 Interim Results of the Group.

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, as follows:

(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.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

3. OPERATING SEGMENT INFORMATION (cont'd)

(a) Investment management (cont'd)

(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. 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 derives investment management revenue from the investors of the Investment SPV comprising: (i) fixed pre-negotiated investment management fees receivable in cash; and (ii) establishment fees receivable in the form of equity shares (the "**Establishment Shares**") in the Investment SPV, that are owned by the investors upon conversion of their convertible loans as and when the underlying real estate project is substantially complete, together with the dividend income from such Establishment Shares or performance fees from the profits made by the investors through dividend distribution received by the Group's ultimate holding company on behalf of investors under the trust structure. The Group also derives performance fee from a major investor in return for providing a priority right to this investor to participate in real estate projects. Such fee is pegged to a stipulated percentage of all dividends and/or profit distributions to be received by the investor on its investments in the real estate projects.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

3. OPERATING SEGMENT INFORMATION (cont'd)

(a) Investment management (cont'd)

(i) *SPV investment management* (cont'd)

The Group recognises the fixed pre-negotiated investment management fee revenue on a time-apportioned basis over the estimated real estate development period, and establishment fee revenue, based on the initial fair value of its right over the entitlement to the Establishment Shares which the Group is entitled to receive upon subscription of convertible loans in the Investment SPV by the investors, when it is probable that the Group will receive the Establishment Shares. The Group's entitlement to the dividend from the Establishment Shares is accounted for according to the accounting policies for "Dividends" set out below. Performance fee from the major investor is not recognised until it is highly probable that a significant reversal of the cumulative amount of the fee revenue recognised will not occur upon resolution of any uncertainty.

(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.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

3. OPERATING SEGMENT INFORMATION (cont'd)

(a) Investment management (cont'd)

(ii) Fund management (cont'd)

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 distributed to the investors, and/or upon divestment of all investments in the fund or termination of the fund, whichever is earlier. 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.

(b) Acquisitions and projects management

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.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

3. OPERATING SEGMENT INFORMATION (cont'd)

(c) Property management and tenancy management

The Group's property management services are primarily provided to real estate developers and property owners' association including property 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. Fixed pre-negotiated fees are specified in property management contracts which typically cover a one-year service period and are renewable on an annual basis. Such fees are recognised as revenue on a time-apportioned basis over the contractual service period.

The Group's tenancy management services are primarily provided to property owners and help the property owners oversee a full range of services including defect management, rental management, lease advisory services, administrative management and tenants care management. Revenue is recognised by the Group on an accrual basis in accordance with the terms of the underlying agreements.

(d) Financial advisory

The Group's financial advisory services primarily relate to corporate finance advisory services and investment advisory services. Revenue is recognised by the Group as and when the services have been rendered.

Dividends

Revenue is recognised when the Group's right to receive the payment is established, which is generally when shareholders approve the dividend.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

3. OPERATING SEGMENT INFORMATION (cont'd)

Dividends (cont'd)

Dividend income derived from the Establishment Shares under investment in equity securities is classified under SPV investment management fees.

Dividend income from investment in fund entities is classified under dividend income.

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 (loss)/profit, which is a measure of adjusted (loss)/profit before tax. The adjusted (loss)/profit 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.

Segment assets exclude unallocated head office and corporate assets as these assets are managed on a group basis.

Segment liabilities exclude unallocated head office and corporate liabilities as these liabilities are managed on a group basis.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

3. OPERATING SEGMENT INFORMATION (cont'd)

Six months ended 30 June 2024 (unaudited)	Investment management		Acquisitions and projects management S\$'000	Property	Financial advisory S\$'000	Total S\$'000
	SPV investment management S\$'000	Fund management S\$'000		management and tenancy management S\$'000		
Segment revenue						
External customers	108	1,532	98	17	-	1,755
Segment results	(200)	919	(339)	(5)	(50)	325
<i>Reconciliation:</i>						
Other income and gains						472
Fair value loss on financial derivative						(285)
Corporate and unallocated expenses						(1,761)
Loss before tax						(1,249)
Segment assets	3,115	6,093	3,838	26	306	13,378
<i>Reconciliation:</i>						
Corporate and unallocated assets						16,195
Total assets						29,573
Segment liabilities	1,266	1,592	1,165	103	108	4,234
<i>Reconciliation:</i>						
Corporate and unallocated liabilities						4,632
Total liabilities						8,866

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

3. OPERATING SEGMENT INFORMATION (cont'd)

Six months ended 30 June 2024 (unaudited)	Investment management			Property management and tenancy management SS'000	Financial advisory SS'000	Total SS'000
	SPV investment management SS'000	Fund management SS'000	Acquisitions and projects management SS'000			
	Other segment information:					
Depreciation and amortisation expenses	24	101	12	3	-	140
Operating segment Reconciliation:						
Corporate and unallocated expenses						105
Total depreciation and amortisation of capitalised contract cost						245
Capital expenditure *	-	8	-	-	-	8
Reconciliation:						
Corporate and unallocated capital expenditure						-
Total capital expenditure						8

* Capital expenditure represents additions to property, plant and equipment.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

3. OPERATING SEGMENT INFORMATION (cont'd)

Six months ended 30 June 2023 (unaudited)	Investment management			Property management and tenancy management SS'000	Financial advisory SS'000	Total SS'000
	SPV investment management SS'000	Fund management SS'000	Acquisitions and projects management SS'000			
Segment revenue						
External customers	25	2,190	3,072	18	–	5,305
Segment results	(62)	1,496	2,324	6	(144)	3,620
<i>Reconciliation:</i>						
Other income and gains						487
Fair value gain on financial derivative						108
Corporate and unallocated expenses						(2,438)
Loss before tax						1,777
Segment assets	1,002	2,701	8,734	28	365	12,830
<i>Reconciliation:</i>						
Corporate and unallocated assets						18,366
Total assets						31,196
Segment liabilities	21	1,397	2,607	110	185	4,320
<i>Reconciliation:</i>						
Corporate and unallocated liabilities						4,413
Total liabilities						8,733

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

3. OPERATING SEGMENT INFORMATION (cont'd)

Six months ended 30 June 2023 (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					
Other segment information:							
Depreciation and amortisation expenses	20	97	32	2	-	-	151
<i>Reconciliation:</i>							
Corporate and unallocated expenses							103
Total depreciation and amortisation of capitalised contract cost							254
Capital expenditure *	-	15	25	-	-	-	40
<i>Reconciliation:</i>							
Corporate and unallocated capital expenditure							1
Total capital expenditure							41

* Capital expenditure represents additions to property, plant and equipment.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

3. OPERATING SEGMENT INFORMATION (cont'd)

Geographical information

(a) Revenue from external customers

	Six months ended 30 June	
	2024	2023
	S\$'000	S\$'000
	(unaudited)	(unaudited)
Singapore	1,428	4,978
Malaysia	17	18
Australia	90	90
British Virgin Islands	220	219
	1,755	5,305

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

(b) Non-current assets

	30 June	31 December
	2024	2023
	S\$'000	S\$'000
	(unaudited)	(audited)
Singapore	371	523
Other countries/jurisdictions	70	70
	441	593

The non-current asset information above is based on the locations of the assets and excludes financial instruments and deferred tax assets.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

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, and other income and gains is as follows:

Six months ended 30 June 2024 (unaudited)	Investment management			Property management and tenancy management SS'000	Financial advisory SS'000	Total revenue SS'000
	SPV investment management SS'000	Fund management SS'000	Acquisitions and projects management SS'000			
Primary geographical markets						
Singapore	108	1,312	8	-	-	1,428
Malaysia	-	-	-	17	-	17
Australia	-	-	90	-	-	90
British Virgin Islands	-	220	-	-	-	220
	108	1,532	98	17	-	1,755
Timing of services						
At a point in time	99	951	8	-	-	1,058
Over time	9	581	90	17	-	697
	108	1,532	98	17	-	1,755

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

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

Six months ended 30 June 2023 (unaudited)	Investment management			Property management and tenancy management SS'000	Financial advisory SS'000	Total revenue SS'000
	SPV investment management SS'000	Fund management SS'000	Acquisitions and projects management SS'000			
Primary geographical markets						
Singapore	25	1,971	2,982	-	-	4,978
Malaysia	-	-	-	18	-	18
Australia	-	-	90	-	-	90
British Virgin Islands	-	219	-	-	-	219
	25	2,190	3,072	18	-	5,305
Timing of services						
At a point in time	-	-	2,982	-	-	2,982
Over time	25	2,190	90	18	-	2,323
	25	2,190	3,072	18	-	5,305

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

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

	Six months ended	
	30 June	
	2024	2023
	S\$'000	S\$'000
	(unaudited)	(unaudited)
Revenue		
Investment management:		
— SPV investment management fees	108	25
— Fund management fees	1,532	2,190
	1,640	2,215
Acquisitions and projects management fees	98	3,072
Property management and tenancy management fees	17	18
	1,755	5,305
Other income and gains		
Interest income	374	265
Government grants (Note i)	3	16
Corporate business service fees (Note ii)	80	117
Gain on disposal of property, plant and equipment	—	69
Operating lease income	8	8
Foreign exchange differences, net	7	—
Others	—	10
	472	487

- (i) Government grants were received by certain subsidiaries and the Company in connection with employment of Singaporean and/or non-Singaporean workers under Wage Credit Scheme, Jobs Support Scheme, Government-Paid Leave Schemes and Special Employment Credit provided by the Singapore Government and employment of Australian workers under JobKeeper Payment Scheme provided by the Australia Government. There were no unfulfilled conditions or contingencies relating to these grants.
- (ii) Corporate business services rendered to external corporate clients by the Group. Services performed include reviewing and advising on financial reports and finance functions and processes, and making recommendations on areas of improvement to the corporate clients.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

5. (LOSS)/PROFIT BEFORE TAX

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

	Six months ended	
	30 June	
	2024	2023
	S\$'000	S\$'000
	(unaudited)	(unaudited)
Auditor's remuneration	70	64
Dividend income from the establishment shares included in SPV investment and fund management fees	(284)	(1,624)
Professional fees	12	52
(Reversal of)/impairment loss on trade receivables, net (Note 11)	(7)	65
Rental expense for short-term leases	44	44
Fair value (loss)/gain on financial derivative	(285)	108
Interest expense		
Lease (Note 17)	10	16
Interest expense on put option to an investor, Top Global Limited	240	240
Interest expense on La Ville Fund	24	–
Bank borrowings	18	28
Others	–	1
	292	285

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

6. INCOME TAX EXPENSE

The Group calculates the period income tax expense using the effective tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim consolidated statement of profit or loss are:

	Six months ended 30 June	
	2024	2023
	S\$'000	S\$'000
	(unaudited)	(unaudited)
Current income tax	170	339

7. (LOSS)/EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

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

	Six months ended 30 June	
	2024	2023
	S\$'000	S\$'000
	(unaudited)	(unaudited)
(Loss)/earnings		
(Loss)/profit for the period attributable to owners of the Company (S\$'000)	(1,419)	1,438
Number of shares		
Weighted average number of ordinary shares	2,000,000,000	2,000,000,000

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

8. DIVIDENDS

No dividend was paid or proposed by the Company for the six months ended 30 June 2024 (six months ended 30 June 2023: S\$Nil).

9. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2024, the Group acquired assets with aggregate cost of S\$8,000 (six months ended 30 June 2023: S\$41,000) and disposed assets with net book value of S\$Nil (six months ended 30 June 2023: S\$10,000). Depreciation on property, plant and equipment amounted to S\$52,000 (six months ended 30 June 2023: S\$52,000).

Right-of-use assets

During the six months ended 30 June 2024 and 2023, there was no addition and disposal of right-of-use assets. Amortisation on right-of-use assets amounted to S\$126,000 (six months ended 30 June 2023: S\$123,000).

10. INVESTMENT IN EQUITY SECURITIES AND INVESTMENT IN FUND SECURITIES

Investment in equity securities

	30 June 2024 S\$'000 (unaudited)	31 December 2023 S\$'000 (audited)
At fair value through other comprehensive income		
Unlisted equity shares, at fair value	381	570

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

10. INVESTMENT IN EQUITY SECURITIES AND INVESTMENT IN FUND SECURITIES (cont'd)

Investment in equity securities (cont'd)

During the six months ended 30 June 2024, the fair value change in respect of the Group's investment in equity securities recognised in other comprehensive income amounted to a loss of S\$189,000 (six months ended 30 June 2023: gain of S\$40,000).

The above financial assets were designated as investment in equity securities and have no fixed maturity date or coupon rate.

Investment in equity securities represent the establishment shares or contractual rights over the establishment shares to be awarded by the investors of Investment SPVs that the Group currently acts as a manager, as consideration for services rendered by the Group to the investors (that include independent third parties and the ultimate holding company) in relation to the establishment and incorporation of the Investment SPVs as real estate development investment structures. Through these Investment SPVs, the investors participate in real estate development projects by investing in convertible loans issued by the Investment SPVs.

Although the contractual rights over the establishment shares are earned by the Group upon the subscription of convertible loans in the Investment SPVs by the investors, the shares will only be received by the Group from the investors upon conversion of their convertible loans as and when the underlying real estate development project is substantially completed.

The Group receives dividend distributions from the Investment SPVs for the establishment shares it received from investors and as and when declared by the Investment SPVs. Such dividend distributions are included in the Group's SPV investment management fees (Note 4).

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

10. INVESTMENT IN EQUITY SECURITIES AND INVESTMENT IN FUND ENTITIES (cont'd)

Investment in fund securities

	30 June 2024 S\$'000 (unaudited)	31 December 2023 S\$'000 (audited)
At fair value through other comprehensive income		
Unlisted equity shares, at fair value	1,673	1,832

During the six months ended 30 June 2024, the fair value change in respect of the Group's investment in fund entities recognised in other comprehensive income amounted to a loss of S\$159,000 (six months ended 30 June 2023: S\$13,000).

During the year ended 31 December 2022, the Company invested in two development funds managed by the Group, ZACD Mount Emily Residential Development Fund ("**Mount Emily**") and ZACD (BBEC) Pte. Ltd. ("**BBEC**"). The respective subscription by the Company to the two development funds constitute 9.28% in Mount Emily and 5% in BBEC. During the year ended 31 December 2021, the Company invested in ZACD (Development4) Ltd. with an equity interest of 0.46%.

The above financial assets were designated as investment in fund entities and the maturity date would be dependent on the completion of the underlying project in which the development funds invest in. There is no coupon rate for these investments.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

11. TRADE RECEIVABLES

	30 June 2024 S\$'000 (unaudited)	31 December 2023 S\$'000 (audited)
Trade receivables	3,874	4,361
Less: Allowance for impairment losses	(219)	(226)
	3,655	4,135

Set out below is the movement in the allowance for impairment losses of trade receivables:

	30 June 2024 S\$'000 (unaudited)	31 December 2023 S\$'000 (audited)
At beginning of reporting period/year	226	508
(Reversal of)/allowance for impairment losses — net	(7)	63
Written off allowance for impairment losses	—	(345)
At end of reporting period/year	219	226

As at 30 June 2024, an allowance for impairment loss of S\$10,000 (31 December 2023: S\$63,000) was made against financial advisory fees receivables. Management has reassessed and make necessary impairment losses for irrecoverable amounts.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

11. TRADE RECEIVABLES (cont'd)

The Group's trading terms with its customers are mainly on credit settlement. The credit period is generally 30 days. The Group's dividend receivables are not governed by any credit terms. The Group seeks to maintain strict control over its outstanding receivables to minimise credit risk. Overdue balances are reviewed regularly by senior management. The Group does not hold any collateral or other credit enhancement over its trade receivable balances. Trade receivables are non-interest-bearing.

An aged analysis of the trade receivables (net of allowance), other than receivables not yet invoiced and dividend receivables, as at the end of each reporting period, based on the invoice date, is as follows:

	30 June 2024 S\$'000 (unaudited)	31 December 2023 S\$'000 (audited)
Within 1 month	477	476
1 to 2 months	11	16
2 to 3 months	19	656
Over 3 months	3,148	2,987
	3,655	4,135

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

11. TRADE RECEIVABLES (cont'd)

The aged analysis of the trade receivables that are neither individually nor collectively considered to be impaired is as follows:

	30 June 2024 S\$'000 (unaudited)	31 December 2023 S\$'000 (audited)
Neither past due nor impaired	477	476
Less than 1 month past due	11	16
1 to 3 months past due	3,167	3,643
	3,655	4,135

Trade receivables that were neither past due nor impaired relate to a number of diversified customers for whom there was no recent history of default.

Trade receivables that were past due but not impaired relate to a number of customers that have a good track record with the Group. Based on past experience, the directors of the Company are of the opinion that no provision for impairment is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable.

As at 30 June 2024 and 31 December 2023, the Group had the following trade receivables from related parties which are repayable on credit terms similar to those offered to major customers of the Group.

	30 June 2024 S\$'000 (unaudited)	31 December 2023 S\$'000 (audited)
Related parties*	3,071	3,432

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

11. TRADE RECEIVABLES (cont'd)

* Particulars of trade receivables due from related parties are as follows:

	30 June 2024 S\$'000 (unaudited)	31 December 2023 S\$'000 (audited)
ZACD LV Development Pte. Ltd.	1,207	1,207
Landmark JV Pte. Ltd.	450	1,185
ZACD (Development2) Ltd.	841	705
ZACD LV Development Fund	411	230
ZACD Mount Emily Residential Development Fund	105	96
Kurnia Rezeki Utama Sdn. Bhd.	9	9
ZACD (Mandai) Ltd.	46	–
ZACD Media Circle fund	2	–
	3,071	3,432

Relationships of the above related companies with the Group are set out in Note 20.

12. CAPITALISED CONTRACT COSTS

	30 June 2024 S\$'000 (unaudited)	31 December 2023 S\$'000 (audited)
Capitalised incremental costs of obtaining contracts — commission costs paid to agents:		
At beginning of reporting period/year	337	464
Additions	–	28
Amortisation	(67)	(155)
At end of reporting period/year	270	337

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

13. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	30 June 2024 S\$'000 (unaudited)	31 December 2023 S\$'000 (audited)
Current:		
Prepayments	281	285
Deposits	111	68
Interest receivable	107	70
Other receivables	54	48
	553	471
Non-current:		
Others	203	215
At end of reporting period/year	756	686

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

14. LOANS AND RELATED RECEIVABLES

	30 June 2024 S\$'000 (unaudited)	31 December 2023 S\$'000 (audited)
Current		
Bridging loans funded to:		
ZACD (Development4) Ltd.	5,085	5,085
ZACD LV Development Fund	8,447	5,821
ZACD Mount Emily Residential Development Fund	3,750	1,850
Kurnia Rezeki Utama Sdn. Bhd.	379	379
ARO II (Tebrau) Pte. Ltd.	130	–
	17,791	13,135
Interest receivables on loan to:		
ZACD LV Development Fund	359	112
ZACD Mount Emily Residential Development Fund	126	34
Kurnia Rezeki Utama Sdn. Bhd.	16	7
	501	153
Less: Allowance for impairment losses	(5,085)	(5,085)
Loans and related receivables, net	13,207	8,203

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

14. LOANS AND RELATED RECEIVABLES (cont'd)

Set out below is the movement in the allowance for impairment losses of loans and related receivables:

	30 June 2024 S\$'000 (unaudited)	31 December 2023 S\$'000 (audited)
At beginning of reporting year	5,085	4,711
Transfer to impairment loss on Investment in fund entities	–	374
At end of reporting period/year	5,085	5,085

(a) Bridging facility and advances to ZACD (Development4) Ltd.

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 and the supplemental announcement dated 23 August 2021 of the Company in relation to ZACD Australia Hospitality Fund (the “**Fund**”) and ZACD (Development4) Ltd. (“**ZACD D4**”), an indirect wholly-owned special purpose fund vehicle of the Company pursuant to the Transaction with respect to the Australia Hotel Portfolio (the “**Announcements**”). Unless otherwise defined, capitalised terms used in this report shall have the same meanings as those defined in the Announcements.

The Group previously provided an allowance for impairment loss on the bridging loan to ZACD D4 of S\$12,337,000 pursuant to the Transaction with respect to the Australia Hotel Portfolio as elaborated in the Group’s Annual Results for the year ended 31 December 2020. Pursuant to the Deed of Settlement, the Fund had received a substantial portion of the settlement proceeds in September 2021. Accordingly, the impairment loss of S\$7,574,000 was reversed by the Group in 2021. The Group has further provided an allowance for impairment loss on the bridging loan to ZACD D4 of S\$374,000 as at 31 December 2023.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

14. LOANS AND RELATED RECEIVABLES (cont'd)

(b) Bridging facility to ZACD LV Development Fund

Reference is made to the announcement dated 17 December 2021 of the Company in relation to the establishment of a new fund for the tender success of a residential redevelopment site located at 6C and 6D Tanjong Rhu Road, Singapore (the "**La Ville Project**"). Following the successful tender of La Ville Project on 30 November 2021, the Group had made payments with respect to tender deposit and additional deposit pursuant to the tender terms, and stamp duties, totalling S\$11,610,000 as at 31 December 2021 on behalf of ZACD LV Development Pte. Ltd., the Development SPV of the La Ville Project.

On 1 February 2022, the Company entered into a S\$18,000,000 short term bridging facility agreement (the "**Facility**") with ZACD LV Development Fund (the "**Borrower**"), a sub-fund registered under ZACD Capital Partners VCC. The Borrower is a single-purpose closed-ended real estate private equity fund set up in the beginning of 2022 in connection with the redevelopment of the La Ville Project. The Company will be the sponsor of the fund by way of indirectly holding the nominal share capital of ZACD Capital Partners VCC, being the corporate entity of the fund. The fund will be managed by ZACD Capital Pte. Ltd.

The Company has agreed to grant the Facility to the Borrower for drawdown from time to time by the Borrower for purposes of facilitating the Borrower to participate in land parcel sales on La Ville Project and matters related and ancillary thereto. Any drawdown on the Facility is subject to an interest rate of six percent (6%) per annum or such other rate as agreed between the parties taking into account the then prevailing market rate of similar facilities arrangement. The Company may, at its sole and absolute discretion, reject any drawdown request by the Borrower.

Each Facility drawdown shall have a tenure commencing on the date of drawdown and continue until such date as the parties may mutually agree in writing but shall not be later than the expiry date of the fund life.

As at 30 June 2024, S\$8,447,000 (31 December 2023: S\$5,821,000) has been drawdown on the Facility by the Borrower which bears interest at 6% per annum.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

14. LOANS AND RELATED RECEIVABLES (cont'd)

(c) Bridging facility to ZACD (Development2) Ltd.

On 1 October 2021, the Company entered into a S\$1,600,000 short term bridging facility agreement (the “**Facility**”) with ZACD (Development2) Ltd. (the “**Borrower**”) with a supplemental on 1 June 2022 to increase the facility to S\$1,750,000 and supplemental on 1 February 2023 to increase the facility to S\$2,000,000. The Borrower is the holding entity of a single-purpose closed-ended real estate private equity fund invested into the residential redevelopment located at 173 Chin Swee Road, Singapore 169878 (the “**Landmark Development**”). The Company is the sponsor of the fund by way of indirectly holding the nominal share capital of the Borrower, being the corporate entity of the fund. The fund is managed by ZACD Capital Pte. Ltd.

The Company granted the Facility to the Borrower for drawdown from time to time by the Borrower for the purposes of bridging the repayment of short term loans entered into by the Borrower with three third party lenders during 2020. Any drawdown on the Facility is subject to an interest rate of six percent (6%) per annum or such other rate as agreed between the parties taking into account the then prevailing market rate of similar facilities arrangement. The Company may, at its sole and absolute discretion, reject any drawdown request by the Borrower.

Each Facility drawdown shall have a tenure commencing on the date of drawdown and continue until such date as the parties may mutually agree in writing but shall not be later than the expiry date of the fund life.

As at 31 December 2023, the loan and related receivables extended by the Group to the fund had been full repaid.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

14. LOANS AND RELATED RECEIVABLES (cont'd)

(d) Bridging facility to ZACD Mount Emily Residential Development Fund

On 25 April 2023, the Company entered into a S\$1,550,000 short term bridging facility agreement (the "**Facility**") with ZACD Mount Emily Residential Development Fund (the "**Borrower**"), a sub-fund registered under ZACD Capital Partners VCC. The Borrower is a single-purpose closed-ended real estate private equity fund set up in connection with a residential redevelopment project located at 2, 2A and 2B Mount Emily Road Singapore 228484, 4, 4A and 4B Mount Emily Road Singapore 228486 and 6, 6A and 6B Mount Emily Road Singapore 228487 (collectively the "**Mount Emily Properties**"). The Company will be the sponsor of the fund by way of indirectly holding the nominal share capital of ZACD Capital Partners VCC, being the corporate entity of the fund. The fund will be managed by ZACD Capital Pte. Ltd. On 15 September 2023, a S\$300,000 was further extended to the fund. On 1 March 2024, a S\$400,000 was further extended to the fund. On 12 March 2024, a S\$750,000 was further extended to the fund. On 13 March 2024, a S\$750,000 was further extended to the fund.

The Company agreed to grant the Facility to the Borrower for drawdown from time to time by the Borrower for fund operational purpose. Any drawdown on the Facility is subject to an interest rate of six percent (6%) per annum or such other rate as agreed between the parties taking into account the then prevailing market rate of similar facilities arrangement. The Company may, at its sole and absolute discretion, reject any drawdown request by the Borrower.

Each Facility drawdown shall have a tenure commencing on the date of drawdown and continue until such date as the parties may mutually agree in writing but shall not be later than the expiry date of the fund life.

As at 30 June 2024, S\$3,750,000 (31 December 2023: S\$1,850,000) has been drawdown on the Facility by the Borrower which bears interest at 6% per annum.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

14. LOANS AND RELATED RECEIVABLES (cont'd)

(e) Bridging facility to Kurnia Rezeki Sdn. Bhd.

On 4 July 2023, the Company entered into a S\$205,000 short term bridging facility agreement (the "**Facility**") with Kurnia Rezeki Utama Sdn Bhd. The principal activities of the Borrower is of property investment and leasing. On 27 October 2023, a S\$174,000 was further extended to the Borrower.

The Company has agreed to grant the Facility to the Borrower for drawdown from time to time by the Borrower for purposes of facilitating the Borrower for investment purposes. Any drawdown on the Facility is subject to an interest rate of five percent (5%) per annum or such other rate as agreed between the parties taking into account the then prevailing market rate of similar facilities arrangement. The Company may, at its sole and absolute discretion, reject any drawdown request by the Borrower.

As at 30 June 2024, S\$379,000 (31 December 2023: S\$379,000) has been drawn down on the Facility by the Borrower which bears interest at 5% per annum.

(f) Bridging facility to ARO II (Tebrau) Pte. Ltd.

On 15 May 2024, the Company entered into a S\$130,000 short term bridging facility agreement (the "**Facility**") with ARO II (Tebrau) Pte. Ltd.. The principal activities of the Borrower is of property investment and leasing.

The Company has agreed to grant the Facility to the Borrower for drawdown from time to time by the Borrower for purposes of facilitating the Borrower for investment purposes. Any drawdown on the Facility is subject to an interest rate of five percent (5%) per annum or such other rate as agreed between the parties taking into account the then prevailing market rate of similar facilities arrangement. The Company may, at its sole and absolute discretion, reject any drawdown request by the Borrower.

As at 30 June 2024, S\$130,000 (31 December 2023: S\$Nil) has been drawn down on the Facility by the Borrower which bears interest at 5% per annum.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

15. CASH AND CASH EQUIVALENTS

	30 June 2024 S\$'000 (unaudited)	31 December 2023 S\$'000 (audited)
Cash and cash equivalents	8,775	14,605

Cash at banks earns interest at floating rates based on daily bank deposit rates. The bank balances are deposited with creditworthy banks with no recent history of default.

Cash and bank balances denominated in foreign currencies are as follows:

	30 June 2024 S\$'000 (unaudited)	31 December 2023 S\$'000 (audited)
Hong Kong dollar (HKD)	27	54
Australia dollar (AUD)	452	636

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

16. BANK BORROWING

	30 June 2024 S\$'000 (unaudited)	31 December 2023 S\$'000 (audited)
Temporary bridging loan, unsecured:		
— Current	780	769
— Non-current	198	590
Total bank borrowing	978	1,359

Temporary Bridging Loan

This is related to the 5-year Temporary Bridging Loan (“**TBL**”) secured under the Enterprise Financing Scheme (“**EFS**”).

The interest rate is fixed at 3.0% per annum or such other rate as may be approved by Enterprise Singapore under EFS.

The TBL is repayable over 60 monthly instalments with interest rate set out above and on the aggregate amount of the TBL that has been disbursed. For the first 12 monthly instalments commencing one month from the date of first drawdown which was in September 2020, only interest is serviced. Thereafter, the monthly instalment payments (comprising principal and interest) shall commence one month from the due date of the last monthly interest payment. The monthly instalment payments is calculated based on the outstanding TBL amount over the remaining tenor of the TBL at the applicable interest rate.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

17. LEASE LIABILITIES

	30 June 2024 S\$'000 (unaudited)	31 December 2023 S\$'000 (audited)
Leases for office properties		
— Current	121	249
— Non-current	197	183
Total lease liabilities	318	432

18. FINANCIAL DERIVATIVE

	30 June 2024 S\$'000 (unaudited)	31 December 2023 S\$'000 (audited)
Fair value of financial derivative	1,914	1,629

Reference is made to the announcement dated 28 December 2022 where the Company had granted a put option to an investor, Top Global Limited (“TGL”) subscribing in ZACD LV Development Fund where TGL has the option to require the Company to purchase all of TGL’s outstanding loan interest or participating shares in the fund. The put option is exercisable by TGL in the following manner:

- (a) within one month from the fourth anniversary from 4 January 2023; or
- (b) if there has been a breach by ZACD Investments Pte. Ltd. of its obligations and undertakings under the deed of undertaking between ZACD Investments Pte. Ltd. and TGL; or
- (c) if there has been a breach by the Controlling Shareholders of their obligations and undertakings under the deed of undertaking between the Controlling Shareholders and TGL.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

18. FINANCIAL DERIVATIVE (cont'd)

During the current financial period, the fair value loss of S\$285,000 (six months ended 30 June 2023: gain of S\$108,000) was recognised in the profit or loss upon reassessment of the fair value of the put option as of period end.

19. SHARE CAPITAL

	30 June 2024 S\$'000 (unaudited)	31 December 2023 S\$'000 (audited)
Issued and paid up capital:		
2,000,000,000 (2023: 2,000,000,000) ordinary shares	29,866	29,866

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

20. RELATED PARTY TRANSACTIONS

(a) Related parties

<u>Name of related companies</u>	<u>Relationship with the Company or the Group</u>
Investment SPVs:	
ZACD (Woodlands12) Pte. Ltd. ("Woodlands12")	Woodlands12 is 19.6% owned by the ultimate holding company.
ZACD (Pasir Ris) Pte. Ltd. ("Pasir Ris")	Pasir Ris is 17.3% owned by the ultimate holding company and was struck off on 8 May 2023.
ZACD (CCK) Pte. Ltd. ("CCK")	CCK is a 22.0%-owned associate of the ultimate holding company.
ZACD (Anchorvale) Pte. Ltd. ("Anchorvale")	Anchorvale is 12.7% owned by the ultimate holding company and was struck off on 4 June 2024.
ZACD (Canberra) Pte. Ltd. ("Canberra")	Canberra is 12.1% owned by the Group and was struck off on 4 June 2024.
ZACD (Punggol Field) Pte. Ltd. ("Punggol Field")	Punggol Field is a 21.8%-owned associate of the ultimate holding company and was struck off on 7 August 2023.
ZACD (Kaki Bukit) Pte. Ltd. ("Kaki Bukit")	Kaki Bukit is a 21.8%-owned associate of the ultimate holding company and was struck off on 8 May 2023.
ZACD (Punggol Central) Pte. Ltd. ("Punggol Central")	Punggol Central is 17.3% owned by the Group.
ZACD (Woodlands2) Pte. Ltd. ("Woodlands2")	Woodlands2 is a 31.8%-owned associate of the ultimate holding company.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

20. RELATED PARTY TRANSACTIONS (cont'd)

(a) Related parties (cont'd)

<u>Name of related companies</u>	<u>Relationship with the Company or the Group</u>
ZACD (Neew) Pte. Ltd. (" Neew ")	Neew is a wholly-owned subsidiary of the ultimate holding company.
ZACD (Neew2) Pte. Ltd. (" Neew2 ")	Neew2 is a wholly-owned subsidiary of the ultimate holding company.
ZACD (AMK) Pte. Ltd. (" AMK ")	AMK is 14.95%-owned by the Group and was struck off on 4 June 2024.
ZACD (Jurong) Pte. Ltd. (" Jurong ")	Jurong is a wholly-owned subsidiary of the ultimate holding company.
ZACD (Woodlands) Pte. Ltd. (" Woodlands ")	Woodlands is a wholly-owned subsidiary of the ultimate holding company and was struck off on 6 November 2023.
ZACD (Woodlands3) Pte. Ltd. (" Woodlands3 ")	Woodlands3 is 8.2% owned by the ultimate holding company and was struck off on 4 June 2024.
Private funds managed by the Group:	
ZACD (BBW6) Ltd. (" BBW6 ")	BBW6 is managed by the Group and the Controlling Shareholders are key management personnel of BBW6.
ZACD (Shunfu) Ltd. (" Shunfu ")	Shunfu is managed by the Group and one of the Controlling Shareholders is a key management personnel of Shunfu.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

20. RELATED PARTY TRANSACTIONS (cont'd)

(a) Related parties (cont'd)

<u>Name of related companies</u>	<u>Relationship with the Company or the Group</u>
ZACD (Shunfu2) Ltd. ("Shunfu2")	Shunfu2 is managed by the Group and one of the Controlling Shareholders is a key management personnel of Shunfu2.
ZACD (Development2) Ltd. ("Development2")	Development2 is managed by the Group and one of the key management personnel of the Group is a key management personnel of Development2.
ZACD (Development4) Ltd. ("Development4")	Development4 is managed by the Group and one of the key management personnel of the Group is a key management personnel of Development4.
ZACD (Mandai) Ltd. ("Mandai")	Mandai is managed by the Group and one of the key management personnel of the Group is a key management personnel of Mandai.
ZACD (Tribe) Pte. Ltd. ("Tribe")	Tribe is managed by the Group and one of the key management personnel of the Group is a key management personnel of Tribe.
ZACD (MCF1) Ltd. ("MCF1")	MCF1 is managed by the Group and one of the key management personnel of the Group is a key management personnel of MCF1.
ZACD (MSPIF) Pte. Ltd. ("MSPIF")	MSPIF is managed by the Group and one of the key management personnel of the Group is a key management personnel of MSPIF.
Prosperous Decade Sdn. Bhd. ("Prosperous Decade")	Prosperous Decade is 50.0% owned by MSPIF and one of the key management personnel of the Group is a key management personnel of Prosperous Decade.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

20. RELATED PARTY TRANSACTIONS (cont'd)

(a) Related parties (cont'd)

Name of related companies	Relationship with the Company or the Group
ZACD Capital Partners VCC ("ZACD VCC")	ZACD VCC is an umbrella Singapore variable capital company where one of the key management personnel of the Group is a key management personnel of ZACD VCC.
ZACD Mount Emily Residential Development Fund ("ZACD Mount Emily")	ZACD Mount Emily is a registered sub-fund of ZACD VCC, is managed by the Group and one of the key management personnel of the Group is a key management personnel of ZACD VCC.
ZACD HK IPO Fund ("ZACD HK IPO")	ZACD HK IPO is a registered sub-fund of ZACD VCC, was managed by the Group and one of the key management personnel of the Group is a key management personnel of ZACD VCC. ZACD HK IPO was dissolved on 22 January 2023.
ZACD LV Development Fund ("ZACD LV Fund")	ZACD LV Fund is a registered sub-fund of ZACD VCC, is managed by the Group and one of the key management personnel of the Group is a key management personnel of ZACD VCC.
ZACD Media Circle Fund (f.k.a. ZACD Tampines Industrial Fund) ("ZACD Media Circle")	ZACD Media Circle Fund is a registered sub-fund of ZACD VCC, is managed by the Group and one of the key management personnel of the Group is a key management personnel of ZACD VCC.
ZACD LV Holdings Pte. Ltd. ("ZACD LV Holdings")	ZACD LV Holdings is a wholly-owned subsidiary of ZACD LV Fund.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

20. RELATED PARTY TRANSACTIONS (cont'd)

(a) Related parties (cont'd)

Name of related companies	Relationship with the Company or the Group
ZACD (BBEC) Pte. Ltd. ("ZACD BBEC")	ZACD BBEC is managed by the Group and one of the key management personnel of the Group is a key management personnel of ZACD BBEC. ZACD BBEC was previously known as Bridge Trust Pte. Ltd. and had re-named to ZACD (BBEC) Pte. Ltd. w.e.f. 14 March 2022.
Development SPVs:	
Landmark JV Pte. Ltd. ("Landmark JV")	Landmark JV is 39.2% owned by Development2. One of the key management personnel of the Group is a key management personnel of Landmark JV.
Mandai 7 JV Pte. Ltd. ("Mandai 7 JV")	Mandai 7 JV is 60.0% owned by Mandai.
VP-ZACD Fund Holdings Pte. Ltd. ("VP-ZACD Fund Holdings")	VP-ZACD Fund Holdings is 50.0% owned by MSPIF.
ZACD Property Pte. Ltd. ("ZACD Property")	ZACD Property is wholly-owned by ZACD Mount Emily and one of the key management personnel of the Group is a key management personnel of ZACD Property.
ZACD LV Development Pte. Ltd. ("ZACD LV")	ZACD LV is 75% owned by ZACD LV Holdings.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

20. RELATED PARTY TRANSACTIONS (cont'd)

(a) Related parties (cont'd)

Name of related companies	Relationship with the Company or the Group
Common control of the Controlling Shareholders:	
Magnificent Vine Group Holdings Pte. Ltd. (" Magnificent Vine Group ")	Magnificent Vine Group is controlled by the Controlling Shareholders who are also the directors of the Company.
Neew Pte. Ltd. (" Neew PL ")	Neew PL is controlled by the Controlling Shareholders who are also the directors of the Company.
SLP International Property Consultants Pte. Ltd. (" SLP IPC ")	SLP IPC is controlled by the Controlling Shareholders and one of the Controlling Shareholders is also the director of the Company.
SLP International Investment Pte. Ltd. (" SLP International ")	SLP International is a subsidiary of SLP IPC.
Creo Adworld Pte. Ltd. (" Creo Adworld ")	Creo Adworld is a wholly-owned subsidiary of Magnificent Vine Group.
Laserblue Holdings Pte. Ltd. (" Laserblue Holdings ")	Laserblue Holdings is a wholly-owned subsidiary of Magnificent Vine Group.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

20. RELATED PARTY TRANSACTIONS (cont'd)

(b) Related party transactions

In addition to the transactions and balances detailed elsewhere in these financial statements, the Group had the following material transactions with related parties during the six months ended 30 June 2024 and 2023:

		Six months ended	
		30 June	
	Note	2024	2023
		S\$'000	S\$'000
		(unaudited)	(unaudited)
Investment management —	(i)		
dividend income:			
ZACD (Mandai) Ltd.		—	1,624
ZACD (AMK) Pte Ltd		7	—
ZACD (Woodlands) Pte Ltd		9	—
ZACD (Woodlands3) Pte. Ltd.		13	—
ZACD (Canberra) Pte Ltd		1	—
ZACD (Woodlands12) Pte Ltd		221	—
ZACD (Jurong) Pte Ltd		32	—
ZACD (Anchorvale) Pte Ltd		1	—
		284	1,624
Investment management —	(ii)		
performance fees:			
ZACD (Shunfu) Ltd.		259	—
ZACD (Shunfu2) Ltd.		400	—
ZACD (Mandai) Ltd.		252	—
ZACD (BBW6) Ltd.		32	—
		943	—

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

20. RELATED PARTY TRANSACTIONS (cont'd)

(b) Related party transactions (cont'd)

	Note	Six months ended 30 June	
		2024	2023
		S\$'000	S\$'000
		(unaudited)	(unaudited)
Investment management — fund management fees:	(iii)		
ZACD (Mandai) Ltd.		78	78
ZACD (Development2) Ltd.		61	61
ZACD LV Development Pte. Ltd.		45	39
ZACD (BBEC) Pte. Ltd.		21	21
ZACD Mount Emily Residential Development Fund		27	19
		232	218
Acquisitions and projects management fees:	(iv)		
Mandai 7 JV Pte. Ltd.		–	2,982
		–	2,982
Marketing expenses:	(v)		
Creo Adworld Pte. Ltd.	(1)	–	36
Office and transport expenses:	(vi)		
ZACD Investments Pte. Ltd.	(1)	30	30

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

20. RELATED PARTY TRANSACTIONS (cont'd)

(b) Related party transactions (cont'd)

Notes:

- (i) The dividend income was derived from the establishment shares of the Investment SPVs or from the preference shares of the fund vehicles when the Group's right to receive payment is established.
 - For Investment SPVs, the Group holds the Establishment Shares received from investors to remunerate its SPV investment management services provided, through dividend distribution from the relevant investment 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.
 - For Fund Structure, the Group is entitled to performance fees based on a percentage of return on equity distributed to the investors, and/or upon divestment of all investments in the fund or termination of the fund, whichever is earlier, through dividends on redeemable preference shares issued to the Group.
- (ii) The performance fee income derived from the private real estate funds were related to the Group's right to receive payment when dividends were derived from private real estate funds under the trust structure adopted by the Group.
- (iii) The fund management income included fund establishment fee and fund management fees and was related to the fund management services rendered by the Group. The fees were determined at terms stipulated in the respective service contracts.
- (iv) Acquisitions and projects management fee income was related to acquisitions and projects management rendered by the Group to these related parties who are real estate developers. The fees were determined at terms stipulated in the respective service contracts.
- (v) The marketing expense was related to full scope of marketing and communication services rendered by the related party and was charged at terms mutually agreed between the relevant parties.
- (vi) The office and transport expense was related to administrative services performed and general use of driver and company car provided by the ultimate holding company and was charged at terms mutually agreed between the relevant parties.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

20. RELATED PARTY TRANSACTIONS (cont'd)

(b) Related party transactions (cont'd)

The above transactions were conducted on terms and conditions mutually agreed between the relevant parties. The directors of the Company are of the opinion that these related party transactions were conducted in the ordinary course of business of the Group.

- (1) The related party transactions fall under the definition of continuing connected transactions and has complied with disclosure requirements in accordance with Chapter 20 of the GEM Listing Rules.

21. COMMITMENTS

Reference is made to the announcement dated 28 December 2022 where the Company had granted a put option to an investor, TGL subscribing in ZACD LV Development Fund (Note 18). On the same day, the Company and TGL entered into an arrangement pursuant to which the Company will pay TGL a coupon payment at the rate of 8% per annum on the amount of TGL's capital contribution to ZACD LV Development Fund less fee rebates given to TGL, payable quarterly in arrears commencing from 4 January 2023 (the "**TGL Drawdown Date**") and shall continue until the fourth anniversary of the TGL Drawdown Date (the "**Coupon Tenure**"). The total coupon payments aggregate to S\$1,920,000 for the Coupon Tenure, of which six coupon payment of S\$720,000 has been made to TGL as of the date of this report.

At the end of the period, other than those disclosed in the report, the Group had no other significant commitments.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

22. FINANCIAL GUARANTEES

(a) La Ville Development

On 27 June 2022, the Company entered into a deed to provide a guarantee in the aggregate of the principal amount of S\$129,086,250 and any interest, commission, fees and expenses accrued thereon, to secure loan facilities in relation to a residential redevelopment project located at 6C and 6D Tanjong Rhu Road, Singapore (the **"La Ville Development"**). This amount represents 75.0% 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 ZACD LV Development Fund (the **"LV Development Fund"**), a sub-fund registered under ZACD Capital Partners VCC, by way of indirectly holding the nominal share capital of the corporate entity of LV Development Fund, is required by the security agents to provide the guarantee for the loan facilities which will be applied towards the payments of the purchase price, development charge, construction cost and related development costs of the La Ville Development. LV Development Fund is managed by ZACD Capital Pte. Ltd. which acts as its fund manager.

(b) BBEC Development

On 15 June 2022, the Company entered into a deed to provide a guarantee in the aggregate of the principal amount of S\$29,980,000 and any interest, commission, fees and expenses accrued thereon, to secure loan facilities in relation to a residential real estate project located at Bukit Batok West Avenue 8, Singapore (the **"BBEC Development"**). This amount represents 10.0% of the total liabilities of the underlying Development SPV under a facility agreement in proportion of the shareholding of ZACD (BBEC) Pte. Ltd. (the **"BBEC Fund"**) in the underlying Development SPV. In terms of the above, the Company, acting as the sponsor of the BBEC Fund by way of indirectly holding the nominal share capital of the corporate entity of the BBEC Fund, 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 BBEC Development. BBEC Fund are managed by ZACD Capital Pte. Ltd. which acts as its fund manager.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

22. FINANCIAL GUARANTEES (cont'd)

(c) Mount Emily Properties

On 22 June 2021, the Company entered into a deed to provide a guarantee in the aggregate of the principal amount of S\$19,253,107 and any interest, commission, fees and expenses accrued thereon, to secure loan facilities in relation to a residential redevelopment project located at 2, 4 and 6 Mount Emily Road Singapore (the "**Mount Emily Properties**"). This amount represents the total liabilities of the underlying Development SPV under the facilities agreements in the underlying Development SPV. In terms of the above, the Company, acting as the sponsor of ZACD Mount Emily Residential Development Fund (the "**Mount Emily Fund**"), a sub-fund registered under ZACD Capital Partners VCC, by way of indirectly holding the nominal share capital of the corporate entity of Mount Emily Fund, is required by the security agents to provide the guarantee for the loan facilities which will be applied towards the payments of the purchase price, construction cost and related development costs of the Mount Emily Properties. Mount Emily Fund is managed by ZACD Capital Pte. Ltd. which acts as its fund manager.

(d) Mandai Development

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 (Mandai) 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. Upon the security agent's satisfaction of the repayment of the existing outstanding loan facilities by the final maturity date of 17 October 2023 under the Previous Facility Agreement, the existing guarantee was released and discharged.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

22. FINANCIAL GUARANTEES (cont'd)

(e) Landmark Development

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 the underlying Development SPV. 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.

23. CONTINGENT LIABILITIES

ZACD Australia Hospitality Fund and ZACD US Fund

Reference is made to the inside information and business update announcement dated 23 August 2021 in relation to ZACD Australia Hospitality Fund (the "**Fund**") and ZACD (Development4) Ltd., an indirect wholly-owned special purpose fund vehicle of the Company for the Fund, and the relevant previous announcements as referred to therein (collectively, the "**Announcements**"). Pursuant to the Deed of Settlement, ZACD Australia Hospitality Fund received a substantial portion of the settlement proceeds according to the settlement schedule from the Defendants in September 2021. While the dispute between the Company, ZACD (Development4) Ltd. and the Defendants has been settled amicably, the Company is currently working with our lawyers in other recovery actions against iProsperity Group and its administrators to recover the remaining shortfall of the exposure by the Fund pursuant to the incident.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

23. CONTINGENT LIABILITIES (cont'd)

ZACD Australia Hospitality Fund and ZACD US Fund (cont'd)

Subsequent to the Transaction with respect to the Australia Hotel Portfolio in early 2020, the Group was in the midst of setting up a separate investment fund to invest US\$10.0 million ("**ZACD US Fund**") in a US hotel acquisition led by iProsperity Group. The deposit of US\$10.0 million for this acquisition was funded by ZACD US Fund as a bridging loan to iProsperity Group to fulfil its payment obligation of the deposit for the acquisition and shall be refunded by iProsperity Group if the acquisition fails to complete (the "**US Hotel Transaction**"). This US\$10 million deposit payment was in turn funded by an anchor investor through a bridging loan to ZACD US Fund as part of his early commitment to the fund and upon setup of the ZACD US Fund, US\$5 million will be converted into equity in the ZACD US Fund and US\$5.0 million will be repaid by ZACD US Fund to the anchor investor. The Company is currently working with our lawyers to pursue various recovery options against iProsperity Group and its administrators to recover this deposit.

Further external counsels are of the opinion, having studied the circumstances and documents surrounding the incidents of the ZACD Australia Hospitality Fund and the ZACD US Fund, that there exists no evidence of any negligence, fraud or dishonesty whatsoever on the part of the Group or any officer of the Company and its involved subsidiaries. Therefore, no provision for this contingent liability has been made in the Group's financial statements as at 30 June 2024 and 31 December 2023.

As at 30 June 2024, cumulative legal fees incurred in relation to legal actions taken against the Defendants and iProsperity Group amounted to S\$1,663,000 (31 December 2023: S\$1,527,000) where S\$1,472,000 (31 December 2023: S\$1,404,000) had been borne by ZACD Australia Hospitality Fund, S\$191,000 (31 December 2023: S\$123,000) had been borne by Remarkable Reach International Limited. No amount was charged into the profit or loss during the current period.

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

24. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at 30 June 2024 and 31 December 2023 are as follows:

30 June 2024 (unaudited)

Financial assets

	Fair value through other comprehensive income S\$'000	Financial assets at amortised cost S\$'000	Total S\$'000
Investment in equity securities	381	–	381
Investment in fund entities	1,673	–	1,673
Trade receivables	–	3,655	3,655
Financial assets included in prepayments, deposits and other receivables	–	446	446
Amount due from ultimate holding company	–	–	–
Amounts due from related parties	–	415	415
Loans and related receivables	–	13,207	13,207
Cash and cash equivalents	–	8,775	8,775
	2,054	26,498	28,552

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

24. FINANCIAL INSTRUMENTS BY CATEGORY (cont'd)

30 June 2024 (unaudited) (cont'd)

Financial liabilities

	Fair value through profit or loss S\$'000	Financial liabilities at amortised cost S\$'000	Total S\$'000
Financial derivative	1,914	–	1,914
Financial liabilities included in other payables and accruals	–	2,132	2,132
Lease liabilities	–	318	318
Amount due to ultimate holding company	–	10	10
Amounts due to related parties	–	2,325	2,325
Bank borrowing	–	978	978
	1,914	5,763	7,677

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

24. FINANCIAL INSTRUMENTS BY CATEGORY (cont'd)

31 December 2023 (audited)

Financial assets

	Fair value through other comprehensive income S\$'000	Financial assets at amortised cost S\$'000	Total S\$'000
Investment in equity securities	570	–	570
Investment in fund entities	1,832	–	1,832
Trade receivables	–	4,135	4,135
Financial assets included in prepayments, deposits and other receivables	–	401	401
Amount due from ultimate holding company	–	14	14
Amounts due from related parties	–	621	621
Loans and related receivables	–	8,203	8,203
Cash and cash equivalents	–	14,605	14,605
	2,402	27,979	30,381

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

24. FINANCIAL INSTRUMENTS BY CATEGORY (cont'd)

31 December 2023 (audited) (cont'd)

Financial liabilities

	Fair value through profit or loss S\$'000	Financial liabilities at amortised cost S\$'000	Total S\$'000
Financial derivative	1,629	–	1,629
Financial liabilities included in other payables and accruals	–	2,412	2,412
Lease liabilities	–	432	432
Amounts due to related parties	–	2,092	2,092
Bank borrowing	–	1,359	1,359
	1,629	6,295	7,924

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

25. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

Management has assessed that the fair values of trade receivables, loans and related receivables, balances with the ultimate holding company and related parties, cash and cash equivalents, the financial assets included in prepayments, deposits and other receivables, the current portion of financial liabilities included in trade payables and other payables and accruals, included in the interim condensed statement of financial position, approximate their carrying amounts largely due to the short term maturities of these instruments. Non-current portion of financial liabilities included in other payables and accruals reasonably approximate their fair values as the directors do not anticipate the carrying amounts recorded at the balance sheet date to be significantly different from the values that would eventually be settled.

Loans and related receivables approximate fair values as the interest rate approximate market interest rate.

The fair values of non-current portion of financial assets included in prepayments, deposits and other receivables have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. In the opinion of the directors, the fair values approximate their carrying amounts because the effect of discounting is not material.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

25. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (cont'd)

Fair value of financial instruments that are carried at fair value

The fair values of financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The fair value of the unlisted investment in equity securities and fund entities have been estimated using a DCF valuation model and is valued under Level 3 of the fair value hierarchy. The valuation requires management to make certain assumptions about the model inputs, including the input base uncertainty as further explained below. The probabilities of the various estimates within the range can be reasonably assessed and are used in management's estimate of fair value for these unquoted equity investments.

The fair value of the financial derivative has been estimated using a Black Scholes Model valuation technique and is valued under Level 3 of the fair value hierarchy. The valuation requires management to make certain estimates on the model inputs, including the volatility on the selling price of the project as further explained in the sensitivity analysis below. The probabilities of the various estimates within the range can be reasonably assessed and are used in management's estimate of fair value for this financial derivative.

Below is a summary of significant unobservable inputs to the valuation of unlisted investment in equity securities and fund entities, and financial derivative together with a quantitative sensitivity analysis as at 30 June 2024 and 31 December 2023.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

25. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (cont'd)

Below is a summary of significant unobservable inputs to the valuation of financial instruments together with a quantitative sensitivity analysis as at 31 December 2023 and 30 June 2024:

At 30 June 2024 (unaudited)

	Valuation technique	Significant unobservable input	Range of uncertainty discount	Sensitivity of fair value to the input
Unlisted investment in equity securities	Discounted cash flow method	Input base uncertainty for projected cash flows	68%–96%	Decrease by 10 percentage points would not result in changes in fair value. Increase by 18 percentage points would not result in changes in fair value.
Unlisted investment in fund entities	Discounted cash flow method	Input base uncertainty for projected cash flows (Note A)	46%–60%	Decrease by 9 percentage points would result in increase in fair value by S\$12,000. Increase by 16 percentage points would result in decrease in fair value by S\$27,000.
Financial derivative	Black Scholes model	Volatility on the selling price of the project (Note B)	30%–50%	Decrease by 10 percentage points would result in decrease in fair value by S\$345,000. Increase by 10 percentage points would result in increase in fair value by S\$353,000.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

25. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (cont'd)

At 31 December 2023 (audited)

	Valuation technique	Significant unobservable input	Range	Sensitivity of fair value to the input
Unlisted investment in equity securities	Discounted cash flow method	Input base uncertainty for projected cash flows (Note A)	68%–96%	Decrease by 10 percentage points would not result in changes in fair value. Increase by 18 percentage points would not result in changes in fair value.
Unlisted investment in fund entities	Discounted cash flow method	Input base uncertainty for projected cash flows (Note A)	46%–60%	Decrease by 9 percentage points would result in increase in fair value by S\$23,000. Increase by 16 percentage points would result in decrease in fair value by S\$47,000
Financial derivative	Black Scholes model	Volatility on the selling price of the project (Note B)	30%–50%	Decrease by 10 percentage points would result in decrease in fair value by S\$382,000. Increase by 10 percentage points would result in increase in fair value by S\$375,000.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

25. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (cont'd)

Note A Input base uncertainty for projected cash flows refers to the uncertainty discount that has been applied with respect to cash flow forecasts estimated by management on the payout of dividend from the Development SPV that the Investment SPVs invest in, which is directly related to the sale progress of individual underlying real estate development project as of each reporting date. There were key milestones in the underlying real estate development project which are significant in the determination of the uncertainty discount in the DCF model, including (i) sales units are not largely sold; (ii) sales units are largely sold but has not obtained temporary occupation permit ("TOP"); and (iii) sales units are largely sold and obtained TOP.

The cash flows vary significantly at different stages given the dynamic market conditions and uncertainty over sales progress. The more advanced the sales progress of individual underlying real estate development project, the lower the uncertainty discount applied is in the DCF model, and vice versa. The sensitivity of fair value to the uncertainty discount rate used is reflective of the high degree of variability of cash flows in underlying real estate development projects used in the valuation of the investment in equity securities and fund entities.

Note B Volatility on the selling price of the project is computed based on comparable new properties' price per square foot in the same district.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

25. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (cont'd)

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

Assets measured at fair value:

	Fair value measurement using			Total S\$'000
	Quoted prices in active markets (Level 1) S\$'000	Significant observable inputs (Level 2) S\$'000	Significant unobservable inputs (Level 3) S\$'000	
30 June 2024 (unaudited)				
Investment in equity securities	-	-	381	381
Investment in fund entities	-	-	1,673	1,673
	Quoted prices in active markets (Level 1) S\$'000	Significant observable inputs (Level 2) S\$'000	Significant unobservable inputs (Level 3) S\$'000	Total S\$'000
31 December 2023 (audited)				
Investment in equity securities	-	-	570	570
Investment in fund entities	-	-	1,832	1,832

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

25. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (cont'd)

Fair value hierarchy (cont'd)

Liabilities measured at fair value:

	Fair value measurement using			
	Quoted prices in active markets (Level 1) S\$'000	Significant observable inputs (Level 2) S\$'000	Significant unobservable inputs (Level 3) S\$'000	Total S\$'000
30 June 2024 (unaudited)				
Financial derivative	-	-	1,914	1,914
	Quoted prices in active markets (Level 1) S\$'000	Significant observable inputs (Level 2) S\$'000	Significant unobservable inputs (Level 3) S\$'000	Total S\$'000
31 December 2023 (audited)				
Financial derivative	-	-	1,629	1,629

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

25. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (cont'd)

The movements in fair value measurements within Level 3 during the reporting periods ended 31 December 2023 and 30 June 2024 are as follows:

	Group	
	30 June	31 December
	2024	2023
	S\$'000	S\$'000
	(unaudited)	(audited)
Investment in equity securities — unlisted:		
At beginning of reporting period/year	570	720
Total losses recognised in other comprehensive (loss)/income	(189)	(150)
At end of reporting period/year	381	570
Investment in fund entities — unlisted:		
At beginning of reporting period/year	1,832	1,897
Total losses recognised in other comprehensive (loss)/income	(159)	(65)
At end of reporting period/year	1,673	1,832
	2,054	2,402
Financial derivative		
At beginning of reporting period/year	1,629	1,362
Total loss recognised in other comprehensive (loss)/income	285	267
At end of reporting period/year	1,914	1,629

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

25. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (cont'd)

During the reporting periods, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for both financial assets and financial liabilities. Transfers between levels of the fair value hierarchy are deemed to have occurred on the date of the event or change in circumstances that caused the transfers.

26. AUTHORISATION OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR ISSUE

The interim condensed consolidated financial statements for the six months ended 30 June 2024 were authorised for issue in accordance with a resolution of the directors passed on 7 August 2024.

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 six months ended 30 June 2024. 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) Net Assets;
- (4) Liquidity and Capital Resources;
- (5) Other Matters; and
- (6) Business Outlook

1. EXECUTIVE OVERVIEW

ZACD is an integrated asset manager headquartered in Singapore that offers solutions across the real estate value chain in Singapore and the Asia-Pacific region. In general, the Group strategically focused on the two core businesses of “Investment Management” and “Acquisitions and Project Management”. For Investment Management, the Group is fixated at carrying out fund management works in terms of fundraising, investment, management and exit, etc. For Acquisitions and Project Management, the Group has built credible track record in managing end-to-end activities in real estate development cycle, from identifying quality real estate assets, acquisition, development, sales, operations and hand over or exit, etc.

Today, the Group managed a total of 19 investment structures under the PE structures and fund structures over 18 real estate projects and assets in Singapore, Malaysia, Indonesia and Australia. The Group also provided ongoing acquisitions and projects management services to four real estate projects in Singapore and two real estate projects in Australia, in addition to ongoing tenancy management services to a property owner in Malaysia. The Group is also currently providing corporate support and fund administration services to a family office with an assets-under-management of approximately US\$100 million.

MANAGEMENT DISCUSSION AND ANALYSIS

2. FINANCIAL REVIEW AND BUSINESS REVIEW

The Group reported a net loss of S\$1.42 million for the Review Period as opposed to a net profit of S\$1.44 million for Previous Period, representing a decrease in net results of S\$2.86 million or 198.7%.

The shift from net profit to net loss was mainly attributable to the decrease in revenue by S\$3.55 million and fair value loss of financial derivative by S\$0.39 million, partially offset by the decrease in staff costs by S\$0.85 million, professional fees by S\$0.10 million and income tax expense by S\$0.17 million.

2.1 Revenue

The revenue of the Group decreased successively by S\$3.55 million or 66.9% from S\$5.31 million for the Previous Period to S\$1.76 million for the Review Period.

The decrease was mainly attributable to absence of project management fee of S\$2.98 million earned from a developer SPV upon substantial completion of a development project and lower performance fees of S\$0.68 million received as part of carried interest fee from a couple of real estate fund managed by the Group in the Review Period.

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	Investment management		Acquisition and project management	Property management and tenancy management	Financial advisory	Total
	SPV investment management	Fund management				
	SS'000	SS'000				
30 June 2024 (unaudited)						
Segment revenue						
External customers	108	1,532	98	17	-	1,755
Segment results	(200)	919	(339)	(5)	(50)	325
<i>Reconciliation:</i>						
Other income and gains						472
Fair value loss on financial derivative						(285)
Corporate and unallocated expenses						(1,761)
Loss before tax						(1,249)

Period ended	Investment management		Acquisition and project management	Property management and tenancy management	Financial advisory	Total
	SPV investment management	Fund management				
	SS'000	SS'000				
30 June 2023 (unaudited)						
Segment revenue						
External customers	25	2,190	3,072	18	-	5,305
Segment results	(62)	1,496	2,324	6	(144)	3,620
<i>Reconciliation:</i>						
Other income and gains						487
Fair value gain on financial derivative						108
Corporate and unallocated expenses						(2,438)
Profit before tax						1,777

MANAGEMENT DISCUSSION AND ANALYSIS

(a) Investment Management Services

(i) SPV investment management

The revenue increased from S\$0.03 million for the Previous Period to S\$0.11 million for the Review Period, representing an increase of S\$0.08 million or 266.7%. The increase was benefited from dividend income and performance fee of approximately S\$0.10 million was earned from the establishment shares included in the SPV investment management fees in the Review 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 revenue decreased from S\$2.19 million for the Previous Period to S\$1.53 million for the Review Period, representing a decrease of S\$0.66 million or 30.1%. The decrease was mainly due to reduced performance fees of approximately S\$0.68 million from a couple of real estate funds managed by the Group managed by the Group in the Review Period.

There was no significant change in the number of fund structures and assets under management in the Previous Period and the Review Period.

MANAGEMENT DISCUSSION AND ANALYSIS

(b) Acquisitions and Projects Management Services

The revenue decreased successively from S\$3.07 million for the Previous Period to S\$0.01 million for the Review Period, representing a decrease of S\$3.06 million or 99.7%. The decrease was primarily attributable to the absence of project management fee of S\$2.98 million earned from a developer SPV upon substantial completion of a development project in Previous Period.

(c) Property Management and Tenancy Management Services

Revenue from property management and tenancy management services would have remained relatively constant at S\$0.02 million for both Previous and Review Periods.

Reference is made to the voluntary announcement dated 28 December 2020 with respect to the strategic move on the property management business segment from managing the residential and industrial properties to government and international projects in order to generate better income for the Group. Since the strategic re-alignment of this business segment, there has not been new contracts entered as the Group is still evaluating the strategic direction of this business segment.

(d) Financial Advisory Services

Reference is made to the voluntary announcement dated 30 November 2021 where the Board resolved to cease the SFC Regulated Activities.

Since the cessation, there has not been new advisory mandates entered. The Group will closely monitor the COVID-19 post-pandemic situation and may consider recommencing this business activity if the business climate changes for the better. 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:

2.2 Other income and gains

Other income and gains decreased from S\$0.49 million for the Previous Period to S\$0.47 million for the Review Period, representing a decrease of S\$0.02 million or 4.1%. The decrease was mainly due to the lower income from ad-hoc short-term corporate services provided to external corporate clients by S\$0.03 million, fixed deposit income by S\$0.09 million and absence of gain in disposal of property, plant and equipment amounting to S\$0.07 million. The decrease is partially offset by an increase in interest income derived from the bridging loans extended to the fund structures managed by the Group by S\$0.2 million.

2.3 Staff costs

Staff costs consist of salaries, bonuses, commission, other allowances and retirement benefit scheme contributions. Total staff costs decreased from S\$2.83 million for the Previous Period to S\$1.98 million for the Review Period, representing an increase of S\$0.85 million or 30.0%. The decrease was mainly due to decrease in the number of headcounts. The Group further streamlined its operations to control this cost element, thus resulting in the reduction in the headcounts.

As at the end of Review Period, the Group had 22 employees as compared to 34 as at the end of Previous Period. Staff costs remain the single biggest cost element of the Group, contributing 75% (Six months ended 30 June 2023: 81%) of the Group's total expenses. Despite the decrease in workforce reduction, employees are remunerated according to their performance and work experience to improve productivity. 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.

MANAGEMENT DISCUSSION AND ANALYSIS

2.4 Impairment loss on financial assets

There is an absence of allowance for impairment loss of S\$0.08 million was recognised on the Group's trade receivables in respect of the financial advisory business segment during the Review Period. Management will continue to assess the adequacy of expected credit loss allowance and make necessary loss allowance for irrecoverable amounts.

2.5 Other expenses, net

Other expenses have remained stagnant at S\$0.67 million for both Previous and Review Periods.

2.6 Interest expenses

Interest expenses remained stagnant at S\$0.29 million for both Previous and Review Periods. The interest expenses represented coupon payments payable to an investor, Top Global Limited ("TGL"), during the Review Period. Please refer to Note 18 Financial derivative in the notes to the interim condensed consolidated financial information.

2.7 Fair value loss on financial derivative

Reference is made to the announcement dated 28 December 2022 where the Company had granted a put option to an investor, TGL subscribing in ZACD LV Development Fund. Following the grant of the put option, the fair value gain recognised as the premium price of the put option gradually increased by approximately S\$0.39 million or 363.9% from approximately a gain of S\$0.11 million in Previous Period to approximately a loss of approximately S\$0.29 million in Review Period.

2.8 Income tax expense

During the Review Period, Singapore profits tax of S\$0.17 million has been provided on the estimated assessable profits arising in Singapore at a rate of 17%. No provision for tax was made in the Previous Period as the Group was in a tax loss position.

MANAGEMENT DISCUSSION AND ANALYSIS

3. NET ASSETS

As at 30 June 2024, the Group's total assets amounted to S\$29.57 million (2023: S\$31.60 million) with net assets amounting to S\$20.71 million (2023: S\$22.49 million). The decrease in net assets by S\$1.78 million was mainly due to the net loss generated for the Review Period. Net assets attributable to shareholders of the Company per share was 1.03 Singapore cents (2023: 1.12 Singapore cents), calculated as net assets divided by total number of issued shares as at period end.

4. LIQUIDITY AND CAPITAL RESOURCES

The Group adopts a prudent financial management approach towards its treasury policy to ensure that the Group is positioned to achieve its business objectives and strategies and this maintained a healthy liquidity position throughout the financial period. The Group's financing risk management, financing and treasury activities are centrally managed and controlled at the corporate level.

As part of working capital management, Management regularly reviews the recoverable amount of trade receivables through periodic credit assessments on a case-by-case basis, monitoring prompt recovery and setting out recovery procedures for any doubtful debt. Management will then assess and make adequate impairment losses for irrecoverable amounts if necessary. Trade receivables that were past due but not impaired relate to a number of customers with sizable business operations, long business relationship and/or good track record with the Group.

4.1 Cash and cash equivalents

The Group's operations were financed principally by the available bank balances, internally generated operating cashflows and bank facilities.

Cash and cash equivalents amounted to S\$8.78 million and S\$14.61 million as at 30 June 2024 and 31 December 2023 respectively, which were placed with major banks in Singapore, Hong Kong and Australia. All deposits are placed with banks carrying strong credit ratings with appropriate credit limits assigned relative to their credit strength, and are regularly monitored for exposures to each financial counterparty. The Group's foreign exchange exposure was small given both its large asset base and operational cash flows were transacted in Singapore Dollar.

MANAGEMENT DISCUSSION AND ANALYSIS

The decrease in cash and cash equivalents by S\$5.83 million was mainly characterised by investment into ZACD La Ville Development Fund and Mount Emily Residential Development Fund and ARO II (Tebrau) Pte. Ltd. of approximately S\$4.56 million respectively and cash used in operations mainly on staff costs and repayment of bank borrowing and related interest costs of approximately S\$1.37 million in the Review Period.

4.2 Bank borrowings and gearing ratio

As at 30 June 2024, the Group was in a net cash position of S\$7.48 million (2023: S\$12.81 million), with bank borrowings (inclusive of lease liabilities) amounted to S\$1.30 million (2023: S\$1.79 million). The gearing ratio of the Group, calculated based on the Group's total bank borrowings divided by total equity was 6.3% (2023: 8.0%).

	30 June 2024 S\$'000 (unaudited)	31 December 2023 S\$'000 (audited)
Bank borrowings and lease liabilities	1,296	1,791
Less: Cash and cash equivalents	(8,775)	(14,605)
Net cash	7,479	12,814

5. OTHER MATTERS

5.1 Charges on assets

As at 30 June 2024, the Group did not have any charges on assets.

5.2 Financial guarantees

Please refer to Note 22 Financial guarantees in the notes to the interim condensed consolidated financial information.

MANAGEMENT DISCUSSION AND ANALYSIS

5.3 Contingent liabilities

Please refer to Note 23 Contingent liabilities in the notes to the interim condensed consolidated financial information.

5.4 Commitments

Please refer to Note 21 Commitments in the notes to the interim condensed consolidated financial information.

5.5 Dividends

No dividend was paid or proposed by the Company for the six months ended 30 June 2024 (six months ended 30 June 2023: Nil).

5.6 Share option

On 13 December 2017, the Group has conditionally adopted a share option scheme (the “**Share Option Scheme**”) under which employees of the Group including directors and other eligible participants may be granted options to subscribe for shares of the Group. No options have been issued under the Share Option Scheme as at 30 June 2024.

During the Review Period, since there was no share option granted under the share option scheme of the Group, no material matter relating to the share option scheme has been reviewed by the Remuneration Committee.

5.7 Events after The Reporting Period

Saved as disclosed elsewhere in this announcement, no significant event that would materially affect the Group’s operating and financial performance took place subsequent to 30 June 2024 and up to the date of this report.

MANAGEMENT DISCUSSION AND ANALYSIS

6. BUSINESS OUTLOOK

As we reach the midpoint of the year, we are pleased to report substantial progress on our projects and strategic appointments, positioning the company for continued growth in the years ahead.

Effective June 6, 2024, Mr. Tan Puay Kiang, Francis (“**Mr. Tan**”) has been appointed as the Executive Director of the Group and Chief Operating Officer (COO). With extensive experience in real estate consultancy, Mr. Tan will lead our project acquisitions and management team and oversee future acquisitions for the group.

In addition, Mr. Han Xiangfeng has joined us as an Executive Director of the Group, effective June 6, 2024. Mr. Xiangfeng brings over 20 years of expertise in real estate investment, fund management, consultancy, and research.

Furthermore, Mr. Kim Jeong Jin (“**Mr. Kim**”) has been appointed as the Chief Financial Officer, effective June 6, 2024. Mr. Kim offers over 15 years of experience in audit, financial reporting, and CFO advisory.

We are confident that this new leadership will usher in a transformative era for the Group.

The private residential property price index experienced a modest increase of 1.1% in Q2 2024, a slight decline from the 1.4% increase observed in Q1 2024. The average quarterly price increase of 1.3% for H1 2024 is lower than the 1.7% average increase recorded in 2023 and 2.1% in 2022.

Non-landed property prices rose by 0.9% in Q2 2024, compared to a 1.0% increase in the previous quarter. Within the Core Central Region, non-landed property prices decreased by 0.2%, a reversal from the 3.4% increase in the prior quarter. Conversely, prices in the Rest of Central Region and Outside Central Region saw increases of 2.2% and 0.3%, respectively, compared to 0.3% and 0.2% in the previous quarter.

Regarding our projects, we are pleased to announce that our project “The Landmark” has achieved 100% sales as of July 21, 2024, at an average price of S\$2,470 per square foot. The project is on track for Temporary Occupation Permit (TOP) by 2025.

MANAGEMENT DISCUSSION AND ANALYSIS

In response to the current market slowdown, we have decided to postpone the launches of Projects La Ville and Mt Emily until Q4 2024. This strategic delay will allow us to better analyze market conditions and optimize outcomes for these projects.

Additionally, we have concluded the ZACD Income Trust Fund as of June 2024 and are actively negotiating with a potential buyer for our asset in Malaysia. Marketing agents have been appointed for our two Australian assets, and we are committed to achieving the best possible returns for our investors.

We are also in advanced discussions to launch a new Healthcare Fund in Australia. Given the demographic trends, particularly the growing ageing population, we anticipate that this sector will offer significant growth opportunities.

Looking ahead, we believe that expanding our focus beyond current markets will be essential for delivering higher returns to our investors. We appreciate your continued support and are committed to enhancing our international prospects. We look forward to presenting you with even more compelling and globally-focused projects in the future.

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 C1 to the GEM Listing Rules. During the six months ended 30 June 2024 and up to the date of this report, the Company has complied with all applicable code provisions of the CG Code as set out in Appendix C1 to the GEM Listing Rules.

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

At 30 June 2024, 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	1,298,600,000 ordinary shares	64.93%	—	—
Ms. Sim	Our Company (Note 1)	Interest in a controlled corporation	1,298,600,000 ordinary shares	64.93%	—	—
Mr. Chin	Our Company (Note 2)	Beneficial owner	30,000 ordinary shares	0.00% (Note 3)	—	—
Mr. Tan	Our Company (Note 4)	Beneficial owner	5,500,000 ordinary shares	0.275%	—	—

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	ZACD Investments Pte. Ltd.	Beneficial owner	833,000 ordinary shares	49%	—	—
Ms. Sim	ZACD Investments Pte. Ltd.	Beneficial owner	833,000 ordinary shares	49%	—	—
Mr. Yeo/Ms. Sim	ZACD (Neew) Pte. Ltd. (Note 5)	Interest in a controlled corporation	2 ordinary shares	90%	168 ordinary shares	8,400%
Mr. Yeo/Ms. Sim	ZACD (Tuas Bay) Pte. Ltd. (Note 6)	Interest in a controlled corporation	2 ordinary shares	90%	105 ordinary shares	5,250%
Mr. Yeo/Ms. Sim	ZACD (Neew2) Pte. Ltd. (Note 7)	Interest in a controlled corporation	2 ordinary shares	90%	61 ordinary shares	3,050%

CORPORATE GOVERNANCE AND OTHER INFORMATION

Notes:

1. Mr. Yeo and Ms. Sim are spouses and hold 49% and 49% of the total issued capital of ZACD Investments Pte. Ltd. ("**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. Patrick Chin Meng Liong ("**Mr. Chin**") is a Director of the Company.
3. Representing 0.0015% of the issued shares of the Company.
4. Mr. Tan Puay Khiang, Francis ("**Mr. Tan**") is a Director of the Company.
5. Mr. Yeo and Ms. Sim hold 49% 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 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.
6. Mr. Yeo and Ms. Sim hold 49% 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.

CORPORATE GOVERNANCE AND OTHER INFORMATION

7. Mr. Yeo and Ms. Sim hold 49% 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.

Save as disclosed above, as at 30 June 2024, 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.

CORPORATE GOVERNANCE AND OTHER INFORMATION

The Company has adopted a code of conduct for dealing in securities of the Company by the Directors in accordance with Rules 5.48 to 5.67 of the GEM Listing Rules on terms no less exacting than the required standard of dealings. Having made specific enquiries of the Directors, all Directors confirmed that they have complied with the required standard of dealings and the code of conduct regarding securities transactions by Directors adopted by the Company during the period from the date of listing up to the date of this report.

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

At 30 June 2024, 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)	1,298,600,000	64.93%
Ms. Sim	Interest in a controlled Corporation (Note 1)	1,298,600,000	64.93%
ZACD Investments	Beneficial owner (Note 1)	1,298,600,000	64.93%
Mr. Rachman Sastra	Beneficial owner and interest in a controlled Corporation (Note 2)	175,350,000	8.77%
Harmonious Tidings Limited	Beneficial owner (Note 2)	125,600,000	6.28%

CORPORATE GOVERNANCE AND OTHER INFORMATION

Notes:

1. Mr. Yeo and Ms. Sim are spouses and hold 49% 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.
2. Mr. Rachman Sastra is the ultimate shareholder of Harmonious Tidings Limited. As such, he is deemed to be interested in the shares held by Harmonious Tidings Limited.

Save as disclosed above, as at 30 June 2024, 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 six months ended 30 June 2024.

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 C1 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 and supervising the financial statements and material advice in respect of financial reporting; (iii) overseeing internal control and risk management procedures and corporate governance of the Company; (iv) supervising internal control systems of the Group; and (v) monitoring continuing connected transactions (if any).

The Audit Committee currently consists of all three of the independent non-executive directors, namely Mr. Lau Kin Chung Alex, Mr. Ma Yue Leong, Benjamin and Mr. Eugene Lim Chin Hon and the chairman is Mr. Lau Kin Chung Alex. The Audit Committee with senior management have reviewed the interim results of the Group for the six months ended 30 June 2024.

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

Singapore, 7 August 2024

As at the date of this announcement, the Board of the Company comprises six (6) executive Directors, namely, Mr. Yeo Choon Guan (Yao Junyuan), Ms. Sim Kain Kain, Mr. Mark Oh Keng Kwan, Mr. Patrick Chin Meng Liong, Mr. Tan Puay Khiang, Francis and Mr. Han Xiangfeng; three (3) independent non-executive Directors, namely, Mr. Lau Kin Chung Alex, Mr. Ma Yue Leong, Benjamin and Mr. Eugene Lim Chin Hon.