



zacd

ZACD GROUP LTD.

杰地集团有限公司*

(A company incorporated in Singapore with limited liability)

Stock Code: 8313

2023

First Quarterly 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.*

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*)

INDEPENDENT NON-EXECUTIVE DIRECTORS

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

NON-EXECUTIVE DIRECTOR

Mr. Chew Hong Ngiap, Ken

AUDIT COMMITTEE

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

REMUNERATION COMMITTEE

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

NOMINATION COMMITTEE

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

AUTHORISED REPRESENTATIVES

Mr. 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
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Singapore 199555

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN SINGAPORE

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#34-05 The Concourse
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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
80 Robinson Road
#02-00
Singapore 068898

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

The board of directors (the “**Board**”) of the Company hereby announces the unaudited condensed consolidated results of the Group for the three months ended 31 March 2023 (the “**First Quarterly Results**”), together with the unaudited comparative figures for the three months ended 31 March 2022:

FINANCIAL HIGHLIGHTS

For the three months ended 31 March 2023

Financial period	Revenue	Profit/(loss) for the period	Earnings/ (loss) per share
31 March 2023	S\$2.99 million	S\$0.68 million	0.03 Singapore cents
31 March 2022	S\$0.46 million	(S\$0.76 million)	(0.04) Singapore cents

- The unaudited revenue of the Group increased by approximately S\$2.53 million or 547.7% from approximately S\$0.46 million for the three months ended 31 March 2022 (the “**Previous Period**”) to approximately S\$2.99 million for the three months ended 31 March 2023 (the “**Review Period**”). The increase was mainly attributable to project management fees of S\$2.63 million earned from a developer SPV upon substantial completion of the development project in the Reporting Period.
- Total staff costs increased from approximately S\$1.00 million for the Previous Period to approximately S\$1.71 million for the Review Period, representing an increase of approximately S\$0.71 million or 71.6%. The increase was mainly due to discretionary bonuses granted to eligible staff in expectation of the increase in revenue in the Review Period. Staff costs remains the single biggest cost element of the Group, contributing 74% (Three months ended 31 March 2022: 61%) of the Group’s total expenses.
- The Group reported a net profit of approximately S\$0.68 million for the Review Period, improved from a net loss of approximately S\$0.76 million in the Previous Period. The net profit was mainly attributable to the increase in revenue by approximately S\$2.53 million and absence of impairment loss on financial assets of S\$0.18 million, partially offset by the increase in staff costs by approximately S\$0.71 million, decrease in other income and gains by approximately S\$0.22 million, increase in interest expenses by approximately S\$0.12 million and increase in income tax expense by approximately S\$0.18 million.
- No dividend was paid or proposed by the Company for the three months ended 31 March 2023 (Three months ended 31 March 2022: Nil).
- Basic and diluted earnings per share for the three months ended 31 March 2023 was approximately S\$0.03 cents (Three months ended 31 March 2022: loss per share of S\$0.04 cents).

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND COMPREHENSIVE INCOME

For the three months ended 31 March 2023

		Three months ended	
		31 March	
	Note	2023	2022
		S\$'000	S\$'000
		(unaudited)	(unaudited)
Revenue	4	2,986	461
Other income and gains	4	188	406
Expenses:			
Staff costs		(1,711)	(997)
Depreciation		(31)	(23)
Amortisation of right-of-use asset		(61)	–
Amortisation of capitalised contract costs		(40)	(24)
Impairment loss on financial assets		–	(177)
Marketing expenses		(9)	(9)
Other expenses, net		(316)	(375)
Interest expenses		(144)	(22)
Profit/(loss) before tax	5	862	(760)
Income tax expense	6	(181)	–
Profit/(loss) for the period attributable to owners of the Company		681	(760)
Other comprehensive income/(loss):			
<u>Items that will not be reclassified to profit or loss:</u>			
Fair value changes on investment in equity securities		(2)	27
<u>Items that may be reclassified subsequently to profit or loss:</u>			
Exchange differences on translation of foreign operations		44	10
Other comprehensive income for the period		42	37
Total comprehensive income/(loss) for the period attributable to owners of the Company		723	(723)
Earnings/(loss) per share attributable to owners of the Company			
Basic and diluted (Singapore cents)	7	0.03	(0.04)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three months ended 31 March 2023

	Share capital 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	Total reserves S\$'000	Accumulated loss S\$'000	Total equity S\$'000
Three months ended 31 March 2023								
At 1 January 2023 (audited)	29,866	720	413	8	1,491	2,632	(11,545)	20,953
Profit for the period	-	-	-	-	-	-	681	681
<u>Other comprehensive income/(loss) for the period:</u>								
Exchange differences on translation of foreign operations	-	-	-	44	-	44	-	44
Fair value changes on investment in equity securities	-	(2)	-	-	-	(2)	-	(2)
Total comprehensive income/(loss) for the period	-	(2)	-	44	-	42	681	723
At 31 March 2023 (unaudited)	29,866	718	413	52	1,491	2,674	(10,864)	21,676
Three months ended 31 March 2022								
At 1 January 2022 (audited)	29,866	1,188	-	23	1,491	2,702	(8,838)	23,730
Loss for the period	-	-	-	-	-	-	(760)	(760)
<u>Other comprehensive income for the period:</u>								
Exchange differences on translation of foreign operations	-	-	-	10	-	10	-	10
Fair value changes on investment in equity securities	-	27	-	-	-	27	-	27
Total comprehensive income/(loss) for the period	-	27	-	10	-	37	(760)	(723)
At 31 March 2022 (unaudited)	29,866	1,215	-	33	1,491	2,739	(9,598)	23,007

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the three months ended 31 March 2023

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 The Concourse #34-05, Singapore 199555.

The Company is an investment holding company. The Company’s subsidiaries are principally engaged in the provision of the following services:

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

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the three months ended 31 March 2023

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

2.1 Basis of preparation

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

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

2.2 New standards, interpretations and amendments adopted by the Group

The accounting policies adopted in the preparation of the First Quarterly Results are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2022, except for the adoption of new and revised standards effective as of 1 January 2023. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. These applications do not have a material impact on the First Quarterly Results of the Group.

3. OPERATING SEGMENT INFORMATION

3.1 Operating segment

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

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the three months ended 31 March 2023

3. OPERATING SEGMENT INFORMATION (cont'd)

3.1 Operating segment (cont'd)

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.

(i) *SPV investment management*

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

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the three months ended 31 March 2023

3. OPERATING SEGMENT INFORMATION (cont'd)

3.1 Operating segment (cont'd)

(a) **Investment management** (cont'd)

(ii) *Fund management*

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

Under the contracts entered into with the private real estate funds, the Group is entitled to fund establishment fee and fund management fees based on a percentage of committed capital and performance fees based on a percentage of return on equity of the fund 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.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the three months ended 31 March 2023

3. OPERATING SEGMENT INFORMATION (cont'd)

3.1 Operating segment (cont'd)

(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.

(c) Property management and tenancy management

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

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

(d) Financial advisory

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

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the three months ended 31 March 2023

3. OPERATING SEGMENT INFORMATION (cont'd)

3.2 Geographical information

Revenue from external customers

	Three months ended 31 March	
	2023	2022
	S\$'000	S\$'000
	(unaudited)	(unaudited)
Singapore	2,826	329
Malaysia	9	10
Australia	41	12
British Virgin Islands	110	110
	2,986	461

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

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the three months ended 31 March 2023

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, other income and gains is as follows:

Three months ended 31 March 2023 (unaudited)	Investment management		Acquisitions and projects management S\$'000	Property management and tenancy management S\$'000	Total revenue S\$'000
	SPV investment management S\$'000	Fund management S\$'000			
Primary geographical markets					
Singapore	13	185	2,628	-	2,826
Malaysia	-	-	-	9	9
Australia	-	-	41	-	41
British Virgin Islands	-	110	-	-	110
	13	295	2,669	9	2,986
Timing of services					
At a point in time	-	-	2,628	-	2,628
Over time	13	295	41	9	358
	13	295	2,669	9	2,986

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the three months ended 31 March 2023

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

Three months ended 31 March 2022 (unaudited)	Investment management		Acquisitions and projects management S\$'000	Property management and tenancy management S\$'000	Total revenue S\$'000
	SPV investment management S\$'000	Fund management S\$'000			
Primary geographical markets					
Singapore	169	160	-	-	329
Malaysia	-	-	-	10	10
Australia	-	-	12	-	12
British Virgin Islands	-	110	-	-	110
	169	270	12	10	461
Timing of services					
At a point in time	153	-	-	-	153
Over time	16	270	12	10	308
	169	270	12	10	461

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the three months ended 31 March 2023

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

	Three months ended	
	31 March	
	2023	2022
	S\$'000	S\$'000
	(unaudited)	(unaudited)
Revenue		
Investment management		
– SPV investment management fees	13	169
– Fund management fees	295	270
Acquisitions and projects management fees	2,669	12
Property management and tenancy management fees	9	10
	2,986	461
Other income and gains		
Corporate business service fees (Note (i))	43	247
Interest income from:		
– Bridging loans	92	144
– Financial institutions	18	–
Gain on disposal of fixed assets	41	11
Government grants	13	8
Foreign exchange differences, net	(31)	(4)
Others	12	–
	188	406

- (i) 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 UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the three months ended 31 March 2023

5. PROFIT/(LOSS) BEFORE TAX

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

	Three months ended 31 March	
	2023	2022
	S\$'000	S\$'000
	(unaudited)	(unaudited)
Auditor's remuneration	40	41
Dividend income from the establishment shares included in SPV investment management fees	–	(153)
Foreign exchange differences, net	(31)	(4)
Impairment loss on trade receivable	–	177
Other professional and legal fees	86	67
Rental expense from short-term leases	22	98

6. INCOME TAX EXPENSE

Singapore profits tax has been provided on the estimated assessable profits arising in Singapore at a rate of 17% for the three months ended 31 March 2023 (Three months ended 31 March 2022: Nil). No provision for tax has been made in other countries/jurisdictions in which the Group operates as the Group did not generate any assessable profits arising in other countries/jurisdictions for the three months ended 31 March 2023 (Three months ended 31 March 2022: Nil).

The major components of the income tax expense during the period are as follows:

	Three months ended 31 March	
	2023	2022
	S\$'000	S\$'000
	(unaudited)	(unaudited)
Current:		
Provision for current period	181	–

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the three months ended 31 March 2023

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

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

	Three months ended 31 March	
	2023	2022
	S\$'000	S\$'000
	(unaudited)	(unaudited)
Profit/(loss) for the period attributable to owners of the Company	681	(760)
Weighted average number of ordinary shares	2,000,000,000	2,000,000,000

8. DIVIDEND

No dividend was paid or proposed by the Company for the three months ended 31 March 2023 (Three months ended 31 March 2022: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

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

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

- (1) Executive Overview;
- (2) Financial Review and Business Review;
- (3) Events after the Reporting Period; and
- (4) Business Outlook

1. EXECUTIVE OVERVIEW

The Group managed a total of 28 investment structures under the PE structures and fund structures over 27 real estate projects and assets in Singapore, Malaysia, Indonesia and Australia. The Group provided ongoing acquisitions and projects management services to three real estate projects in Singapore and two real estate projects in Australia, delivered ongoing tenancy management services to one property owner in Malaysia. The Group is currently providing corporate support and fund administration services to a family office with an assets-under-management of approximately USD100 million.

2. FINANCIAL REVIEW AND BUSINESS REVIEW

The Group reported a net profit of approximately S\$0.68 million for the Review Period, improved from a net loss of approximately S\$0.76 million in the Previous Period.

The net profit was mainly attributable to the increase in revenue by approximately S\$2.53 million and absence of impairment loss on financial assets of S\$0.18 million, partially offset by the increase in staff costs by approximately S\$0.71 million, decrease in other income and gains by approximately S\$0.22 million, increase in interest expenses by approximately S\$0.12 million and increase in income tax expense by approximately S\$0.18 million.

MANAGEMENT DISCUSSION AND ANALYSIS

2.1 Revenue

The unaudited revenue of the Group increased by approximately S\$2.53 million or 547.7% from approximately S\$0.46 million for the Previous Period to approximately S\$2.99 million for the Review Period. The increase was mainly attributable to project management fees of S\$2.63 million earned from a developer SPV upon substantial completion of the development project in the Reporting Period.

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

Period ended	Investment management		Acquisitions and projects management	Property	Financial advisory	Total
	SPV investment management	Fund management		management and tenancy		
31 March 2023 (unaudited)	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Segment revenue						
External customers	13	295	2,669	9	-	2,986
Segment results	(15)	(144)	2,268	1	(77)	2,033
<i>Reconciliation:</i>						
Other income and gains						188
Corporate and unallocated expenses						(1,359)
Profit before tax						862

MANAGEMENT DISCUSSION AND ANALYSIS

Period ended 31 March 2022 (unaudited)	Investment management		Acquisitions and projects management SS'000	Property management and tenancy management SS'000	Financial advisory SS'000	Total SS'000
	SPV investment management SS'000	Fund management SS'000				
Segment revenue						
External customers	169	270	12	10	-	461
Segment results	(83)	10	(59)	(11)	(264)	(407)
<i>Reconciliation:</i>						
Other income and gains						406
Corporate and unallocated expenses						(759)
Loss before tax						(760)

(a) Investment Management Services

(i) SPV investment management

The unaudited revenue decreased from approximately S\$0.17 million for the Previous Period to approximately S\$0.01 million for the Review Period, representing an decrease of approximately S\$0.16 million or 92.3%. The decrease was mainly due to absence of dividend income from the establishment shares included in SPV investment management fees for the Review Period, where an amount of S\$0.15 million was earned in the Previous Period.

The majority of the investment projects set up by the Group from 2010 to 2015 that were under the SPV investment management structures are maturing or have matured. There was no investment SPV established from 2016 as the Group is now focusing on expanding fund structures which is in line with the Group's current business model.

MANAGEMENT DISCUSSION AND ANALYSIS

(ii) *Fund management*

The unaudited revenue increased marginally from approximately S\$0.27 million for the Previous Period to approximately S\$0.30 million for the Review Period, representing an increase of approximately S\$0.03 million or 9.3%. There is no significant change in the number of fund structures and assets under management in the Previous Period and the Review Period.

(b) Acquisitions and Projects Management Services

The unaudited revenue increased from approximately S\$0.01 million for the Previous Period to approximately S\$2.67 million for the Review Period, representing an increase of approximately S\$2.66 million. The increase was mainly attributed to the project management fees earned from a developer SPV upon substantial completion of the development project in the Reporting Period.

(c) Property Management and Tenancy Management Services

The unaudited revenue decreased marginally from approximately S\$10,000 for the Previous Period to approximately S\$9,000 for the Review Period, representing a decrease of S\$1,000 or 10.0%. 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.

MANAGEMENT DISCUSSION AND ANALYSIS

(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.

Other notable items are further elaborated as follows:

2.2 Other income and gains

Other income and gains decreased from approximately S\$0.41 million for the Previous Period to approximately S\$0.19 million for the Review Period, representing a decrease of approximately S\$0.22 million or 53.7%. This decrease was mainly due to lower income from ad-hoc short-term corporate services provided to external corporate clients in the Review Period.

MANAGEMENT DISCUSSION AND ANALYSIS

2.3 Staff costs

Staff costs consist of salaries, bonuses, commission, other allowances and retirement benefit scheme contributions. Total staff costs increased from approximately S\$1.00 million for the Previous Period to approximately S\$1.71 million for the Review Period, representing an increase of approximately S\$0.71 million or 71.6%. The increase was mainly due to discretionary bonuses granted to eligible staff in expectation of the increase in revenue in the Review Period.

As at the end of Review Period, the Group had 34 employees as compared to 33 as at the end of Previous Period. Staff costs remains the single biggest cost element of the Group, contributing 74% (Three months ended 31 March 2022: 61%) of the Group's total expenses.. Employees are remunerated according to their performance and work experience. On top of basic salaries, discretionary bonuses may be granted to eligible staff depending on the Group's achievements as well as the individual's performance.

2.4 Impairment loss on financial assets

There was no impairment loss was recognised on financial assets during the Review Period. During the Previous Period, the Group recorded allowance for impairment loss of approximately S\$0.18 million on the Group's trade receivable in respect of the financial advisory fees. Management will continue to assess the adequacy of expected credit loss allowance and make necessary loss allowance for irrecoverable amounts.

MANAGEMENT DISCUSSION AND ANALYSIS

2.5 Other expenses, net

Other expenses, net decreased by approximately S\$0.06 million or 15.7% from approximately S\$0.38 million for the Previous Period to approximately S\$0.32 million for the Review Period. The decrease was mainly due to Singapore office rental being recognised under “Amortisation of right-of-use asset” line item upon the commencement of the lease in August 2022.

2.6 Interest expenses

Interest expenses increased from approximately S\$0.02 million for the Previous Period to approximately S\$0.14 million for the Review Period, representing an increase of approximately S\$0.12 million or 554.5%. This increase was mainly due to coupon payments payable to an investor, Top Global Limited (“TGL”), during the Review Period. Please refer to Note 2.11 for more details.

2.7 Income tax expense

During the Review Period, Singapore profits tax 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.

2.8 Charges on assets

As at 31 March 2023, the Group did not have any charges on assets.

MANAGEMENT DISCUSSION AND ANALYSIS

2.9 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 is managed by ZACD Capital Pte. Ltd. which acts as its fund manager.

MANAGEMENT DISCUSSION AND ANALYSIS

(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.

MANAGEMENT DISCUSSION AND ANALYSIS

(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 "**ZACD Landmark Fund**"), by way of indirectly holding the nominal share capital of the corporate entity of the ZACD Landmark 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. ZACD Landmark Fund is managed by ZACD Capital Pte. Ltd. which acts as its fund manager.

2.10 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.

MANAGEMENT DISCUSSION AND ANALYSIS

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 million ("**ZACD US Fund**") in a US hotel acquisition led by iProsperity Group. The deposit of US\$10 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 its 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 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 31 March 2023.

As at 31 March 2023, legal fees incurred in relation to legal actions taken against the Trust Lawyer and iProsperity Group accumulated to S\$1,368,000 where S\$1,215,000 had been borne by ZACD Australia Hospitality Fund and S\$67,000 was held as deposit by the Company's lawyer for ongoing filing fees and disbursements. No amount was charged into the profit or loss during the Review Period.

A subsidiary of the Group, ZACD Capital Pte. Ltd. and ZACD (Development) Ltd. have on the 5 May 2023 received identical letters before action on a monetary claim common to both. We have instructed legal advisers and are defending the matter.

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

MANAGEMENT DISCUSSION AND ANALYSIS

2.11 Commitments

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. 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 total coupon payments aggregate to S\$1,920,000 of which first coupon payment of S\$120,000 was paid to TGL in April 2023.

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

2.12 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 31 March 2023.

MANAGEMENT DISCUSSION AND ANALYSIS

3. EVENTS AFTER THE REPORTING PERIOD

Saved as disclosed elsewhere in this report, no significant event that would materially affect the Group's operating and financial performance took place subsequent to 31 March 2023 and up to the date of this report.

4. BUSINESS OUTLOOK

Based on estimates by Ministry of Trade and Industry ("**MTI**"), the Singapore economy grew by 0.1% on a year-on-year basis in the first quarter of 2023, slower than the 2.1% growth recorded in the previous quarter. Despite the signs softening in economy, demand for real estate has remained resilient with prices and rentals increasing consecutively for the past few quarters. According to Urban Redevelopment Authority ("**URA**")'s estimates:

- Private residential property price index increased by 6.0 points from 188.6 points in Q4 2022 to 194.6 points in Q1 2023. This represents an increase of 3.2%, compared to the 0.4% increase in the previous quarter.
- Rentals of private residential properties increased by 7.4% in Q4 2022, lesser than the 8.6% increase in the previous quarter. This represents the 9th consecutive quarter of rental growth.
- The construction sector has also continued to grow in the first quarter of 2023, expanding by 8.5% year-on-year. This extends the 10.0% growth seen in the previous quarter. Growth in the sector was supported by expansions in both public and private sector construction output.

MANAGEMENT DISCUSSION AND ANALYSIS

With effect from 27 April 2023, additional property cooling measures have been introduced to promote sustainable property market and to prioritise housing for owner-occupation in Singapore. Under this latest round of cooling measure, Additional Buyer's Stamp Duty ("**ABSD**") rates will be raised across the board, with the exception to Singapore Citizens ("**SCs**") and Singapore Permanent Residents ("**SPRs**") purchasing their first private residential property. The group of first-time buyers made up about 90% of residential property transactions based on 2022 data. The ABSD rate for foreign buyers purchasing any residential property will be increased from 30% to 60%. At this juncture, market fundamentals remain to appear relatively stable with tight supply and resilient underlying demand for private homes, particularly from local households.

Our projects are progressing in accordance with schedule with Foodfab@Mandai, a freehold industrial project acquired by Mandai Fund, being awarded Temporary Occupation Permit ("**TOP**") in April 2023. With the project's performance surpassed its initial return projections, the Group is looking forward to receive fees from project management and performance fees in 2023.

On the residential front, Jadescape, the private residential project invested by the Shunfu Funds has achieved TOP in the last quarter of 2022. The Group is looking forward to receive a portion of performance fees in the later part of 2023.

The Landmark, another private residential project invested by the ZACD Landmark Fund, has seen constant sales over the past few months, with approximately 65% sold as of end March 2023.



MANAGEMENT DISCUSSION AND ANALYSIS

The Group is also gearing up for the launch of 2 more new residential projects, namely, La Ville and Mount Emily, in the second half of 2023. The launch is expected to be well received on account of their location, pricing and other attributes. The Group is also looking forward to the launch of our Executive Condominium (“**EC**”) project at Bukit Batok West Ave 8 with our partner Qingjian Realty. The project is expected to generate immense interest as it is the first new EC launch in the western region of Singapore in years.

The Group will continue to source more projects across various real estate sectors to present more diverse offerings to our investors and business partners. In addition to expanding our real estate acquisitions and projects management business and investment management business, the Group is working on expanding our property management services as well as growing the family office management business as we see that Singapore is working to enhance the family office ecosystem through partnerships with the public and private sectors. Notwithstanding the above, the Group will continue to assess the potential uncertainties from the property cooling measures, inflationary pressures and rising interest rate.

CORPORATE GOVERNANCE AND OTHER INFORMATION

CORPORATE GOVERNANCE PRACTICES

The Board has adopted the principles and the code provisions of Corporate Governance Code (“**CG Code**”) contained in Appendix 15 to the GEM Listing Rules. During the three months ended 31 March 2023 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 15 to the GEM Listing Rules.

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

At 31 March 2023, 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. Yeo	ZACD Investments Pte. Ltd.	Beneficial owner	833,000 ordinary shares	49%	—	—

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
Ms. Sim	ZACD Investments Pte. Ltd.	Beneficial owner	833,000 ordinary shares	49%	—	—
Mr. Yeo/Ms. Sim	ZACD CRF (Woodlands) Pte. Ltd. (Note 4)	Interest in a controlled corporation	1,530 ordinary shares	51%	—	—
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%
Mr. Yeo/Ms. Sim	ZACD (Jurong) Pte. Ltd. (Note 8)	Interest in a controlled corporation	2 ordinary shares	90%	148 ordinary shares	7,400%

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. Yeo and Ms. Sim hold 49% and 49% of the total issued capital of ZACD Investments, which in turn holds 51% of the total issued capital of ZACD CRF (Woodlands) Pte. Ltd.. As such, both of them are deemed to be interested in 51% of the total issued shares of ZACD CRF (Woodlands) Pte. Ltd. directly held by ZACD Investments by virtue of the SFO.
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.
8. 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 13 February 2013 (as amended by a supplemental deed dated 30 September 2016) entered into, between, among others, ZACD Investments and ZACD (Jurong) Pte. Ltd., ZACD Investments agreed to make available to ZACD (Jurong) Pte. Ltd. a non-interest bearing convertible loan in the principal amount of S\$3,830,000, and the outstanding convertible loan representing not more than a certain amount shall be converted into 17.10% of the enlarged issued capital of ZACD (Jurong) Pte. Ltd. after conversion upon the date of issue of a temporary occupation permit in relation to the underlying property acquired by ZACD (Jurong) Pte. Ltd. As such, Mr. Yeo and Ms. Sim are deemed to be interested in the shares of ZACD (Jurong) Pte. Ltd. held by ZACD Investments and (ii) the underlying shares which are to be converted into by such convertible loan granted by ZACD Investments to ZACD (Jurong) Pte. Ltd. by virtue of the SFO.

Save as disclosed above, as at 31 March 2023, 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 31 March 2023, 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

Note:

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 31 March 2023, the Company had not been notified by any person who had interests or short positions in the shares, underlying shares or debentures of the Company which fall under the provisions of Divisions 2 and 3 of Part XV of the SFO to be disclosed to the Company, or which were recorded in the register required to be kept by the Company under section 336 of the SFO.

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

Neither the Company nor any of its subsidiaries have purchased, sold or redeemed any of the Company's listed securities during the three months ended 31 March 2023.

INTERESTS OF THE COMPLIANCE ADVISER

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

CORPORATE GOVERNANCE AND OTHER INFORMATION

AUDIT COMMITTEE

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

The Audit Committee currently consists of all three of the independent non-executive directors, namely Mr. Kong Chi Mo, Dato' Dr. Sim Mong Keang and Mr. Lim Boon Yew and the chairman is Mr. Kong Chi Mo. The Audit Committee with senior management have reviewed the First Quarterly Results of the Group for the three months ended 31 March 2023.

By Order of the Board

ZACD Group Ltd.
Sim Kain Kain

Chairman and Executive Director

Singapore, 15 May 2023

As at the date of this report, the Board of the Company comprises four (4) executive directors, namely, Mr. Yeo Choon Guan (Yao Junyuan), Ms. Sim Kain Kain, Mr. Mark Oh Keng Kwan and Mr. Patrick Chin Meng Liong; three (3) independent non-executive directors, namely, Mr. Kong Chi Mo, Dato' Dr. Sim Mong Keang and Mr. Lim Boon Yew; and one (1) non-executive director, namely Mr. Chew Hong Ngiap, Ken.