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杰地集团有限公司\*

(A company incorporated in the Republic of Singapore with limited liability)

(Stock code: 8313)

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## ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2025

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### CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “EXCHANGE”)

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

*This announcement, 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 announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.*

*This announcement will be published on the GEM website at [www.hkgem.com](http://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](http://www.zacdgroup.com).*

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

*\* for identification purposes only*

**ZACD GROUP LTD. AND ITS SUBSIDIARIES**  
**ANNUAL RESULTS ANNOUNCEMENT**  
**FOR THE YEAR ENDED 31 DECEMBER 2025**

**CONTENTS**

	<i>Page</i>
A. Annual Financial Highlights	3
B. Annual Results	5
C. Management Discussion and Analysis	110
D. Corporate Governance and Other Items	123

## FINANCIAL HIGHLIGHTS

### FIVE-YEAR FINANCIAL SUMMARY

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

<b>Financial Results</b>	<b>2025 S\$'000</b>	<b>2024 S\$'000</b>	<b>2023 S\$'000</b>	<b>2022 S\$'000</b>	<b>2021 S\$'000</b>	<b>2020 S\$'000</b>
Revenue	<b>2,697</b>	4,964	9,906	3,983	5,596	5,325
(Loss)/profit before tax	<b>(6,656)</b>	(1,089)	2,414	(2,423)	7,515	(20,330)
(Loss)/profit for the year	<b>(5,573)</b>	(1,204)	1,737	(2,707)	7,461	(20,263)
(Loss)/earnings per share ( <i>Singapore cents</i> )	<b>(0.28)</b>	(0.06)	0.09	(0.14)	0.37	(1.01)

  

<b>Financial Position</b>	<b>2025 S\$'000</b>	<b>2024 S\$'000</b>	<b>2023 S\$'000</b>	<b>2022 S\$'000</b>	<b>2021 S\$'000</b>	<b>2020 S\$'000</b>
Total assets	<b>27,276</b>	33,078	31,596	27,454	28,316	21,600
Total liabilities	<b>12,992</b>	12,651	9,109	6,501	4,586	5,009
Net current assets	<b>15,649</b>	21,012	21,736	20,443	23,429	17,342
Net assets	<b>14,284</b>	20,427	22,487	20,953	23,730	16,591
Net assets per share ( <i>Singapore cents</i> )	<b>0.71</b>	1.02	1.12	1.05	1.19	0.83

## **ANNUAL FINANCIAL HIGHLIGHTS**

*For the year ended 31 December 2025*

- In summary, the Group reported a net loss of approximately S\$5.57 million in FY2025, as compared to a net loss of S\$1.20 million in FY2024, representing a widening of losses by S\$4.37 million or 364.2% year-on-year.
- The decline in earnings was primarily attributable to a decrease in revenue of approximately S\$2.27 million, reflecting weaker performance across both the Fund Management and Acquisition and Project Management segment. In response, the Group streamlined its operations during the year, resulting in lower staff costs of approximately S\$0.78 million and lower other expenses of approximately S\$0.18 million. However, such cost optimisation measures were more than offset by impairment losses on financial assets of approximately S\$4.17 million, mainly relating to bridging advances to funds as well as trade and non-trade receivables from funds and related parties. Other income and gains also decreased by approximately S\$0.56 million, mainly due to the waiver of interest income on bridging loans from underperforming funds. The above was partially mitigated by a lower fair value loss on financial derivatives of approximately S\$0.77 million and the recognition of corporate income tax credit of approximately S\$1.08 million during the year.
- The Group's revenue declined by approximately 45.7% year-on-year, from approximately S\$4.96 million in FY2024 to S\$2.70 million in FY2025. This decrease was mainly attributable to lower performance fees from the Group's investment vehicles, reduced project management fees from several real estate funds, lower fund establishment fees, and a decrease in dividend income from establishment shares held in SPV investments, partially offset by the recognition of a one-off successful tender fee.
- Total staff costs decreased from approximately S\$3.75 million in FY2024 to S\$2.97 million in FY2025, representing a reduction of approximately S\$0.78 million or 20.8%, mainly due to directors' resignations and stringent cost control measures, as evident by the decrease in headcount from 33 to 27 employees.
- Basic and diluted loss per share for the year ended 31 December 2025 was approximately 0.28 Singapore cents (31 December 2024: loss per share of 0.06 Singapore cents).

## **ANNUAL RESULTS**

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

The Board of Directors (the “**Board**”) of the Company hereby announces the consolidated results of the Group for the financial year ended 31 December 2025 (the “**Annual Results**”), together with the comparative figures for the financial year ended 31 December 2024:

**ZACD Group Ltd. and its Subsidiary Companies**

**Consolidated statement of profit or loss  
For the year ended 31 December 2025**

	<b>Note</b>	<b>Group</b>	
		<b>2025</b>	<b>2024</b>
		<b>S\$'000</b>	<b>S\$'000</b>
<b>Revenue</b>	5	<b>2,697</b>	4,964
Other income and gains	5	<b>515</b>	1,079
Staff costs	6	<b>(2,973)</b>	(3,750)
(Impairment losses)/reversal of impairment losses on financial assets	7	<b>(4,174)</b>	8
Depreciation	14	<b>(47)</b>	(98)
Amortisation of right-of-use assets	24	<b>(259)</b>	(251)
Amortisation of capitalised contract costs	25	<b>(126)</b>	(113)
Marketing expenses		<b>(16)</b>	-
Other expenses, net		<b>(1,233)</b>	(1,408)
Interest expense	8	<b>(862)</b>	(575)
Fair value loss on financial derivative	29	<b>(178)</b>	(945)
		<hr/>	<hr/>
<b>Loss before tax</b>	8	<b>(6,656)</b>	(1,089)
Income tax credit/(expense)	11	<b>1,083</b>	(115)
		<hr/>	<hr/>
<b>Loss for the year attributable to owners of the Company</b>		<b>(5,573)</b>	(1,204)
		<hr/> <hr/>	<hr/> <hr/>
<b>Earnings per share attributable to owners of the Company</b>	12		
- Basic (cents)		<b>(0.28)</b>	(0.06)
- Diluted (cents)		<b>(0.28)</b>	(0.06)
		<hr/> <hr/>	<hr/> <hr/>

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

**ZACD Group Ltd. and its Subsidiary Companies**

**Consolidated statement of comprehensive income  
For the year ended 31 December 2025**

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	<b>Note</b>	<b>Group 2025 S\$'000</b>	<b>2024 S\$'000</b>
<b>Loss for the year</b>		<b>(5,573)</b>	<b>(1,204)</b>
<b>Other comprehensive (loss)/income:</b>			
<u>Items that will not be reclassified to profit or loss</u>			
Fair value changes on investment in equity securities	15	<b>(152)</b>	(367)
Fair value changes on investment in fund entities	16	<b>(449)</b>	(504)
<u>Item that may be reclassified subsequently to profit or loss</u>			
Exchange differences on translation of foreign operations		<b>31</b>	15
Other comprehensive loss for the year		<b>(570)</b>	(856)
<b>Total comprehensive loss for the year attributable to owners of the Company</b>		<b>(6,143)</b>	<b>(2,060)</b>

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

## ZACD Group Ltd. and its Subsidiary Companies

### Statements of financial position As at 31 December 2025

	Note	Group		Company	
		2025 S\$'000	2024 S\$'000	2025 S\$'000	2024 S\$'000
<b>Non-current assets</b>					
Property, plant and equipment	14	204	123	29	30
Right-of-use assets	24	449	246	416	167
Investment in equity securities	15	51	203	–	–
Investment in fund entities	16	879	1,328	853	1,269
Investments in subsidiaries	18	–	–	8,251	11,775
Prepayments, deposits and other receivables	20	165	186	164	187
<b>Total non-current assets</b>		<b>1,748</b>	<b>2,086</b>	<b>9,713</b>	<b>13,428</b>
<b>Current assets</b>					
Trade receivables	17	3,287	4,748	50	38
Amounts due from subsidiaries	18	–	–	2,479	1,976
Amount due from ultimate holding company	19	220	–	–	–
Amounts due from related parties (non-trade)	19	1,752	469	381	306
Prepayments, deposits and other receivables	20	668	633	247	278
Capitalised contract costs	25	392	406	–	–
Loans and related receivables	21	15,269	19,422	11,053	13,479
Cash and bank balances	22	3,940	5,314	674	895
<b>Total current assets</b>		<b>25,528</b>	<b>30,992</b>	<b>14,884</b>	<b>16,972</b>
<b>Current liabilities</b>					
Other payables and accruals	23	1,991	2,722	268	509
Amounts due to subsidiaries	18	–	–	4,242	4,356
Amount due to ultimate holding company	19	–	35	16	63
Amounts due to related parties (non-trade)	19	2,777	5,720	533	9
Lease liabilities	24	265	262	235	187
Loans payable to related parties	28	4,477	–	1,564	–
Income tax payable		369	651	257	398
Bank borrowing	27	–	590	–	590
<b>Total current liabilities</b>		<b>9,879</b>	<b>9,980</b>	<b>7,115</b>	<b>6,112</b>
<b>Net current assets</b>		<b>15,649</b>	<b>21,012</b>	<b>7,769</b>	<b>10,860</b>
<b>Non-current liabilities</b>					
Other payables and accruals	23	79	–	–	–
Lease liabilities	24	198	10	198	10
Deferred tax liabilities	26	84	87	22	22
Financial derivative	29	2,752	2,574	2,752	2,574
<b>Total non-current liabilities</b>		<b>3,113</b>	<b>2,671</b>	<b>2,972</b>	<b>2,606</b>
<b>Net assets</b>		<b>14,284</b>	<b>20,427</b>	<b>14,510</b>	<b>21,682</b>
<b>Equity</b>					
Share capital	30	29,866	29,866	38,853	38,853
Reserves	31	(15,582)	(9,439)	(24,343)	(17,171)
<b>Total equity</b>		<b>14,284</b>	<b>20,427</b>	<b>14,510</b>	<b>21,682</b>

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

ZACD Group Ltd. and its Subsidiary Companies

Consolidated statement of changes in equity  
For the year ended 31 December 2025

Group	Note	Share capital (Note 30) 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
<b>At 1 January 2024</b>		29,866	570	353	15	1,491	(9,808)	22,487
Loss for the year		–	–	–	–	–	(1,204)	(1,204)
<u>Other comprehensive income/(loss) for the year:</u>								
Exchange differences on translation of foreign operations		–	–	–	15	–	–	15
Fair value changes on investment in equity securities	15	–	(367)	–	–	–	–	(367)
Fair value changes on investment in fund entities	16	–	–	(504)	–	–	–	(504)
Total comprehensive (loss)/income for the year		–	(367)	(504)	15	–	(1,204)	(2,060)
<b>At 31 December 2024 and 1 January 2025</b>		<b>29,866</b>	<b>203*</b>	<b>(151)*</b>	<b>30*</b>	<b>1,491*</b>	<b>(11,012)*</b>	<b>20,427</b>
Loss for the year		–	–	–	–	–	(5,573)	(5,573)
<u>Other comprehensive income/(loss) for the year:</u>								
Exchange differences on translation of foreign operations		–	–	–	31	–	–	31
Fair value changes on investment in equity securities	15	–	(152)	–	–	–	–	(152)
Fair value changes on investment in fund entities	16	–	–	(449)	–	–	–	(449)
Total comprehensive (loss)/income for the year		–	(152)	(449)	31	–	(5,573)	(6,143)
<b>At 31 December 2025</b>		<b>29,866</b>	<b>51*</b>	<b>(600)*</b>	<b>61*</b>	<b>1,491*</b>	<b>(16,585)*</b>	<b>14,284</b>

\* These reserve accounts comprise the consolidated reserves of -S\$9,439,000 and -S\$15,582,000 in the consolidated statements of financial position as at 31 December 2024 and 2025 respectively.

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

## ZACD Group Ltd. and its Subsidiary Companies

### Consolidated statement of cash flows For the year ended 31 December 2025

	Note	Group	
		2025 S\$'000	2024 S\$'000
<b>Cash flows from operating activities</b>			
Loss before tax		(6,656)	(1,089)
Adjustments for:			
Depreciation	14	47	98
Amortisation of right-of-use assets	24	259	251
Amortisation of capitalised contract costs	25	126	113
Unrealised foreign exchange (gains)/losses	5	(252)	10
Gain on disposal of fixed assets		(8)	–
Impairment losses/(reversal of impairment losses) on financial assets	7	4,174	(8)
Fair value loss on financial derivative		178	945
Interest income	5	(133)	(812)
Interest expense	8	862	575
<b>Operating cash flows before changes in working capital</b>		<b>(1,403)</b>	<b>83</b>
Changes in working capital:			
Decrease/(increase) in trade receivables		1,461	(605)
Increase in prepayments, deposits and other receivables		(13)	(133)
Increase in capitalised contract costs		(112)	(182)
(Decrease)/increase in other payables and accruals		(742)	155
<b>Cash used in from operations</b>		<b>(809)</b>	<b>(682)</b>
Income tax paid		–	(452)
Interest paid		(552)	(576)
<b>Net cash flows used in operating activities</b>		<b>(1,361)</b>	<b>(1,710)</b>
<b>Cash flows from investing activities</b>			
Purchases of property, plant and equipment	14	(69)	(18)
(Increase)/decrease in amount due from ultimate holding company		(220)	14
(Increase)/decrease in amounts due from related parties		(514)	152
Loans granted to related parties		(2,025)	(10,436)
Repayment from bridging loans and related interest receivables		2,160	96
Proceeds from disposal of fixed assets		44	–
Interest received		8	–
<b>Net cash flows used in investing activities</b>		<b>(616)</b>	<b>(10,192)</b>
<b>Cash flows from financing activities</b>			
(Decrease)/increase in amount due to ultimate holding company		(35)	35
Increase in amounts due to related parties		478	3,628
Loans granted from related parties		1,014	–
Repayment of obligations under finance leases		(6)	(3)
Repayment of bank borrowing		(590)	(769)
Repayment of leases liabilities		(288)	(285)
Restricted cash pledge for bank facility		(2,380)	–
<b>Net cash flows (used in)/generated from financing activities</b>		<b>(1,807)</b>	<b>2,606</b>

## ZACD Group Ltd. and its Subsidiary Companies

### Consolidated statement of cash flows (continued) For the year ended 31 December 2025

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	Note	Group	
		2025 S\$'000	2024 S\$'000
Net decrease in cash and cash equivalents		(3,784)	(9,296)
Cash and cash equivalents at beginning of year		5,314	14,605
Effect of foreign exchange rate changes, net		30	5
Cash and cash equivalents at end of year	22	<u>1,560</u>	<u>5,314</u>

#### Cash and cash equivalents

Cash and cash equivalents consist of fixed deposits and cash and bank balances, as follows:

		S\$'000	S\$'000
Cash and bank balances	22	3,940	5,314
Total cash and bank balances		3,940	5,314
Restricted cash – cash pledge for bank facility		(2,380)	–
Cash and cash equivalents at end of year		<u>1,560</u>	<u>5,314</u>

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

## ZACD Group Ltd. and its Subsidiaries

### Notes to the Financial Statements For the year ended 31 December 2025

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#### 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 immediate holding company of the Company is ZACD Investments Pte. Ltd., which is domiciled and incorporated in Singapore.

The Company is an investment holding company. During the year, 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;
- (iii) property management and tenancy management services; and
- (iv) financial advisory services.

#### 2. Material accounting policies

##### 2.1 Basis of preparation

The consolidated financial statements have been prepared in accordance with IFRS Accounting 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 financial statements have been prepared on a historical cost convention, except as disclosed in the accounting policies and explanatory notes below. The financial statements are presented in the Company's functional currency, Singapore Dollar (“**S\$**”), and all values are rounded to the nearest thousand (**S\$'000**), except when otherwise indicated.

The preparation of financial statements in conformity with IFRS and SFRS(I) requires management to exercise its judgement in the process of applying the Group's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where estimates and assumptions are significant to the financial statements are disclosed in Note 3.

## ZACD Group Ltd. and its Subsidiaries

### Notes to the Financial Statements For the year ended 31 December 2025

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## 2. Material accounting policies (cont'd)

### 2.1 Basis of preparation (cont'd)

The financial statements do not include any adjustments that may be necessary should the Group and Company be unable to continue as a going concern.

On 29 December 2017, the ASC issued SFRS(I), Singapore's equivalent of the IFRS which is available for application by Singapore-incorporated companies for annual periods beginning on or after 1 January 2018. Following the introduction and adoption of this new financial reporting framework, the Group has chosen to comply with both IFRS and SFRS(I).

For the purpose of SFRS(I), financial statements that have been prepared in accordance and complied with IFRS are deemed to have also complied with SFRS(I). SFRS(I) comprise standards and interpretations that are equivalent to IFRS. All references to SFRS(I) and IFRS are referred to collectively as "IFRS" in these financial statements, unless specified otherwise.

#### Going concern assumption

As at 31 December 2025, the Group has exposure to a project development ("Development SPV") investment made through ZACD LV Development Fund, including a financial guarantee given to the secure loan facility drawn by ZACD LV Development Pte. Ltd. ("Development SPV") for its residential redevelopment project. As at the date of these financial statements, the outstanding loan facility of S\$126 million has a maturity date of 31 January 2027. The Group also has a bridging loan receivable of S\$13.4 million (Note 21), trade receivable of S\$1.8 million (Note 17) and amounts due from related parties (non-trade) (Note 19) of S\$364,000 due from ZACD LV Development Fund. Management is of the view that, although the project is delayed, the Property Developer will be able to complete the Project within stipulated deadline.

- i. The lender of the loan facility has indicated its willingness to extend the loan maturity to 30 June 2027 upon successful extension of the Additional Buyer Stamp Duty ("ABSD") deadline on 31 March 2027 for the La Ville Project granted by the IRAS. Management is optimistic that the development SPV is on track to meeting future sales targets set by the lender.
- ii. The main contractor of the La Ville Project has undertaken to subordinate all outstanding claims until the loan facility is fully repaid.
- iii. Based on the Development SPV's cashflow projections of 12 months from the date of the financial statements, and having considered the La Ville Project's operating performance, continued support from its main contractor to conserve cash resources, and the probability of extension of loan facility, the Development SPV's would have sufficient cashflows to meet its obligations as and when they fall due.

Therefore, management is of the opinion that the financial statements can be prepared on a going concern basis and that provision for loss on the loan guarantee is minimal at year end.

## ZACD Group Ltd. and its Subsidiaries

### Notes to the Financial Statements For the year ended 31 December 2025

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## 2. Material accounting policies (continued)

### 2.2 New accounting standards effective on 1 January 2025

The accounting policies adopted are consistent with those of the previous financial year. The Group has adopted all the new and revised standards that are effective for annual financial period beginning on 1 January 2025. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

### 2.3 Standard issued but not yet effective

The Group has not adopted the following standards applicable to the Group that have been issued but not yet effective:

Description	Effective for annual periods beginning on or after
Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7	1 January 2026
Annual Improvements to IFRS Accounting Standards— Volume 11	1 January 2026
IFRS 18 – Presentation and Disclosure in Financial Statements	1 January 2027

The Group is currently working to identify all impacts the amendments will have on the financial statements and notes to the financial statements on IFRS 18: *Presentation and Disclosure in Financial Statements*.

Other than IFRS 18: *Presentation and Disclosure in Financial Statements*, the directors expect that the adoption of the standards above will have no material impact on the financial statements in the year of initial application.

### 2.4 Basis of consolidation and business combinations

The consolidated financial statements include the financial statements of the Company and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

## ZACD Group Ltd. and its Subsidiaries

### Notes to the Financial Statements For the year ended 31 December 2025

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## 2. Material accounting policies (continued)

### 2.4 Basis of consolidation and business combinations (continued)

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement(s) with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the current year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it de-recognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

### 2.5 Current versus non-current classification

The Group presents assets and liabilities in the statements of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

**2. Material accounting policies (continued)**

**2.6 Fair value measurement**

The Group measures financial instruments such as unquoted investment in equity securities and fund entities at fair value and financial derivative at the end of each reporting period. Fair value related disclosures for financial instruments that are measured at fair value or where fair values are disclosed, are summarised in the following notes:

- Financial instruments (including those carried at amortised cost) (Note 36)
- Disclosures for valuation methods, significant estimates and assumptions (Note 37)
- Quantitative disclosures of fair value measurement hierarchy (Note 37)

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

## ZACD Group Ltd. and its Subsidiaries

### Notes to the Financial Statements For the year ended 31 December 2025

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## 2. Material accounting policies (continued)

### 2.6 Fair value measurement (continued)

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Group's management determines the policies and procedures for recurring fair value measurement, such as for unquoted investment in equity securities and fund entities and financial derivative.

At each reporting date, the Group's management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Group's accounting policies. For this analysis, the Group's management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The Group's management also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

### 2.7 Foreign currencies

The Group's consolidated financial statements are presented in S\$, which is also the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

#### (a) Transactions and balances

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in other comprehensive income ("OCI") or profit or loss are also recognised in OCI or profit or loss, respectively).

## ZACD Group Ltd. and its Subsidiaries

### Notes to the Financial Statements For the year ended 31 December 2025

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#### 2. Material accounting policies (continued)

##### 2.7 Foreign currencies (continued)

###### (b) Group companies

On consolidation, the assets and liabilities of foreign operations are translated into S\$ at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is reclassified to profit or loss.

##### 2.8 Cash dividend distribution to owners of the Company

The Company recognises a liability to make cash distributions to owners of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. According to the corporate laws of Singapore, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

##### 2.9 Property, plant and equipment

Property, plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets, as follows:

Computers	3 years
Office equipment	3 years
Furniture and fittings	3 years
Renovation	Over shorter of remaining lease term and 3 years
Motor vehicles	10 years

An item of property, plant and equipment is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset is included in profit or loss in the year the asset is de-recognised.

The residual values, useful lives and depreciation methods are reviewed at each financial year-end and adjusted prospectively, if appropriate.

**2. Material accounting policies (continued)**

**2.10 Financial instruments — initial recognition and subsequent measurement**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

**(a) Financial assets**

*Initial recognition and measurement*

Financial assets are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial assets at initial recognition.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

All purchases and sales of financial assets are recognised or derecognised on the trade date which is the date that the Group commits to purchase or sell the asset.

*Subsequent measurement*

Investment in debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the contractual cash flow characteristics of the asset.

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through amortisation process.

Investment in equity securities and fund entities

On initial recognition of an investment in equity instrument and convertible loan that is not held for trading, the Group may irrevocably elect to present subsequent changes in fair value in OCI. Dividends from such investments are to be recognised in profit or loss when the Group's right to receive payments is established. Gains and losses on these financial assets are never recycled to profit or loss. Equity instruments designated at fair value through OCI are not subject to impairment assessment. The Group elected to classify irrevocably its non-listed equity instruments under this category.

*Derecognition*

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired.

**2. Material accounting policies (continued)**

**2.10 Financial instruments — initial recognition and subsequent measurement (continued)**

**(b) Financial liabilities**

*Initial recognition and measurement*

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

Financial liabilities are recognised initially at fair value, plus, in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs. Financial derivatives are initially recognised at fair value on the date a derivative contract is entered into.

*Subsequent measurement*

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process. Financial derivatives are subsequently remeasured to their fair value at the end of each reporting period. Changes in fair value of derivatives are recognised in profit or loss.

*Derecognition*

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

**(c) Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

## 2. Material accounting policies (continued)

### 2.11 Impairment of financial assets

The Group recognises an allowance for expected credit losses (“ECLs”) for all financial assets not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Loss allowances of the Group are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from default events that are possible within the 12 months after the reporting date (or for a shorter period if the expected life of the instrument is less than 12 months); or
- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

#### (a) Simplified approach

The Group applies the simplified approach to provide for ECLs for all trade receivables. The simplified approach requires the loss allowance to be measured at an amount equal to lifetime ECLs.

#### (b) General approach

The Group applies the general approach to provide for ECLs on all other financial assets not held at fair value through profit or loss. Under the general approach, the loss allowance is measured at an amount equal to 12-month ECLs at initial recognition.

At each reporting date, the Group assesses whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group’s historical experience and informed credit assessment and includes forward-looking information.

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improves such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECLs.

**2. Material accounting policies (continued)**

**2.12 Impairment of non-financial assets**

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or a cash-generating unit's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or a cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

Impairment losses are recognised in profit or loss in expense categories consistent with the function of the impaired asset.

An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss.

**2.13 Cash and cash equivalents**

Cash and cash equivalents in the consolidated statements of financial position comprise cash at banks and on hand and short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, as they are considered an integral part of the Group's cash management.

**2. Material accounting policies (continued)**

**2.14 Government grants**

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.

Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to the statement of profit or loss over the expected useful life of the relevant asset by equal annual instalment.

**2.15 Revenue recognition**

Revenue is recognised when the Group satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation. Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured.

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties. Revenue is measured at the fair value of consideration received or receivable, excluding discounts, rebates, and sales taxes or duties.

The specific recognition criteria described below must also be met before revenue is recognised.

***Rendering of services***

The Group provides investment management, acquisitions and projects management, property management and tenancy management services and financial advisory services as described below.

**(a) SPV investment management**

The Group provides investment management services to investors of real estate projects by establishing and incorporating SPV (the "**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.

**2. Material accounting policies (continued)**

**2.15 Revenue recognition (continued)**

*Rendering of services (continued)*

**(a) SPV investment management (continued)**

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.

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. Subsequent to initial recognition, the Group’s entitlement to the Establishment Shares is accounted for as investment in equity securities in accordance with Note 2.10(a) above. 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.

**(b) 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 manages 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.

**2. Material accounting policies (continued)**

**2.15 Revenue recognition (continued)**

***Rendering of services (continued)***

**(b) Fund management (continued)**

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 fee revenue recognised will not occur upon the resolution of any uncertainty.

Incremental costs of obtaining a contract are capitalised if these costs are recoverable. Capitalised contract costs are subsequently amortised on a systematic basis as the Group recognises the related revenue. An impairment loss is recognised in profit or loss to the extent that the carrying amount of the capitalised contract costs exceeds the remaining amount of consideration that the Group expects to receive in exchange for the services to which the contract costs relates less the costs that relate directly to providing the services and that have not been recognised as expenses.

**(c) 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.

**(d) 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.

**2. Material accounting policies (continued)**

**2.15 Revenue recognition (continued)**

***Rendering of services (continued)***

**(d) Property management and tenancy management (continued)**

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.

**(e) Financial advisory services**

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.

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.

**2.16 Leases**

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that asset is or these assets are not explicitly specified in an arrangement.

***Group as a lessee***

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

**2. Material accounting policies (continued)**

**2.16 Leases (continued)**

***Group as a lessee (continued)***

*Right-of-use asset*

The Group recognises right-of-use asset at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use asset is measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use asset includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use asset is depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use asset is subject to impairment.

*Lease liabilities*

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

*Short-term leases*

The Group applies the short-term lease recognition exemption to its short-term leases of office properties (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases are recognised as expense on a straight-line basis over the lease term.

**2. Material accounting policies (continued)**

**2.17 Employee benefits**

**(a) Defined contribution plans**

The Group participates in the national/mandatory pension schemes as defined by the laws of the countries/jurisdictions in which it has operations. In particular, the Group makes contributions to the Central Provident Fund scheme in Singapore and the Mandatory Provident Fund retirement benefit scheme in Hong Kong. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related employee service is received.

At 31 December 2025, the Group had no forfeited contributions available to reduce its future contributions to the retirement benefits schemes (2024: S\$Nil).

**(b) Employee leave entitlement**

Employee entitlements to annual leave are recognised as a liability when they are accrued to the employees. The estimated liability for leave is recognised for services rendered by employees up to the end of the reporting period.

**2.18 Taxes**

**(a) Current income tax**

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of each reporting date in the countries/jurisdiction where the Group operates and generates taxable income. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

**(b) Deferred tax**

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

**2. Material accounting policies (continued)**

**2.18 Taxes (continued)**

**(b) Deferred tax (continued)**

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

**(c) Sales tax**

Revenues, expenses and assets are recognised net of the amount of sales tax except:

- Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

**2. Material accounting policies (continued)**

**2.19 Deferred revenue**

Deferred revenue represents advance receipts from customers for services that have yet to be rendered, and is recognised as revenue in profit or loss as and when these services are rendered.

**2.20 Contingencies**

A contingent liability is:

- (a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or
- (b) a present obligation that arises from past events but is not recognised because:
  - (i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
  - (ii) the amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingent liabilities and assets are not recognised in the statement of financial position, except for contingent liabilities assumed in a business combination that are present obligations and which the fair values can be reliably determined.

**2.21 Provisions**

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in profit or loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

## **2. Material accounting policies (continued)**

### **2.22 Related parties**

A party is considered to be related to the Group if:

- (a) the party is a person or a close member of that person's family and that person
  - (i) has control or joint control of the Group;
  - (ii) has significant influence over the Group; or
  - (iii) is a member of the key management personnel of the Group or of a parent of the Group; or
- (b) the party is an entity where any of the following conditions applies:
  - (i) the entity and the Group are members of the same group;
  - (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
  - (iii) the entity and the Group are joint ventures of the same third party;
  - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
  - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;
  - (vi) the entity is controlled or jointly controlled by a person identified in (a);
  - (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and
  - (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

### **2.23 Financial guarantee**

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Financial guarantees are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, financial guarantees are measured at the higher of the amount of expected credit loss determined in accordance with the policy set out in Note 2.11 and the amount initially recognised less, when appropriate, the cumulative amount of income recognised over the period of the guarantee.

**3. Significant accounting judgments, estimates and assumptions**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future periods.

Other disclosures relating to the Group's exposure to risks and uncertainties includes:

- Capital management (Note 39)
- Financial risk management objectives and policies (Note 39)

**Judgements**

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

***Recoverability of receivables***

Judgement is applied in determining whether any of the Group's trade receivables, amounts due from related parties (non-trade) and loans and related receivables require an impairment loss to be recognised. This assessment considers the financial position of the counterparties and the forecasted profitability of their underlying real estate projects, taking into account the current stage of development, sales progress and the Additional Buyer's Stamp Duty ("ABSD") timeline requirements.

Within these receivable balances, an amount of S\$15,600,000 relates to ZACD LV Development Fund, which is subject to an ABSD deadline on 30 March 2027. This requires the underlying real estate project to complete the construction and sell all development units by that date. Management remains optimistic that the project can be completed and fully sold by the ABSD deadline. Accordingly, the Group has recognised an ECL of \$886,000.

The carrying amount of the Group's trade receivables, amounts due from related parties (non-trade) and loans and related receivables as at 31 December 2025 are disclosed in Notes 17, 19 and 21 respectively.

Separately, the Group has issued financial guarantees to certain banks in respect of credit facilities obtained by Development SPVs (see Note 35). As at 31 December 2025, the Group assessed that the Development SPVs have financial capacities to meet their contractual cash flow obligations in the near future and therefore, does not expect significant credit losses to arise from these guarantees. The Group's assessment is based on qualitative and quantitative factors that are indicative of the risk of default, including project's profit projection incorporating ABSD considerations, management accounts, cash flow projections.

The assessment of ECL arising from the financial guarantee contracts involves significant judgement, as it may be affected by future events and conditions that cannot be predicted with certainty.

The significant financial guarantees of the Group are disclosed in Note 35.

**3. Significant accounting judgments, estimates and assumptions (continued)**

**Judgements (continued)**

***Consolidation of Investment SPVs and private real estate funds***

The ultimate holding company holds nominal shares in the Investment SPVs and the Group holds nominal shares in the private real estate funds. The sole purpose of these nominal shares is to facilitate the set-up of the funds, and hence do not carry rights to profits or to participate in the return on capital.

Other shareholders of the Investment SPVs and private real estate funds constitute investors who are issued shares which carry rights to profits and to participate in the return on capital.

The Group has been delegated decision-making rights to carry out activities as managers for Investment SPVs and private real estate funds for the benefit of their investors. Assessing whether the Group is making decisions as a principal or carrying out the decisions made by all the investors is a significant judgement. The Group considers the terms and conditions of the arrangement to assess whether it is an agent or a principal based on the scope of decision-making authority it has, rights held by other parties, its remuneration structure and exposure to variability of returns through other interests.

As at 31 December 2025, the Group acted as managers for 5 (2024: 9) Investment SPVs and 12 (2024: 12) private real estate funds respectively. Having considered the fact patterns surrounding each of these Investment SPVs and private real estate funds in which the Group acts as a manager, the Group considers that it does not control all these Investment SPVs and private real estate funds.

***Variable consideration from performance fees***

Under its SPV investment management business, the Group 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 that will be received by the investor on its investments in the real estate projects. In addition, the Group is entitled to performance fees under its fund management business. Such fees are based on a percentage of return on equity of the fund distributed to the investor, and/or upon divestment of all investments in the fund or termination of the fund, whichever is earlier.

The Group recognises such performance fees when, and only when, it is assessed to be highly probable that a significant reversal of the cumulative fee revenue recognised will not occur in future periods. There are uncertainties on whether the major investor will be able to receive dividends and/or profit distributions from its project investments, and whether the fund will be able to achieve positive return on equity upon divestment of all its investments or at the end of its fund life. Assessment on whether a significant reversal of the cumulative fee revenue recognised will occur in future periods hence involves significant judgement on the part of management.

**3. Significant accounting judgments, estimates and assumptions (continued)**

**Judgements (continued)**

***Contingent liability considerations in relation to the ZACD US Fund***

The Group consults with its legal counsels on matters related to litigation, and other experts within the Group with respect to matters in the ordinary course of business. As at 31 December 2025, there were no new developments with respect to the litigation.

Assessment on whether the risk of loss is remote, possible or probable requires significant judgement given the complexities involved.

The significant contingent liabilities of the Group are disclosed in Note 36.

**Estimates and assumptions**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

***Fair value measurement of investment in equity securities and fund entities***

The fair value of investment in equity securities and fund entities held by the Group are measured using valuation techniques including the discounted cash flow (“**DCF**”) model as these instruments do not have quoted prices in active markets. As these instruments relate to equity interests presently held or to be received by the Group in Investment SPVs and fund entities that undertake investment in real estate development projects (Note 15 and 16), management expects the fair value to be eventually realised through dividend distributions and return of capital that the Group will receive from the Investment SPVs and fund entities.

The inputs to the valuation models are taken from observable markets where possible, but where this is not feasible, a degree of estimation is required in establishing fair values. Key estimates include considerations of inputs such as future dividend distribution cash flows expected to be received by the Group based on the Investment SPV’s and fund entities’ projected distributable profits, the level of uncertainty to be ascribed to such profits projection taking into consideration the current stage of the real estate project’s development and its sale progress, as well as the discount rate. Changes in assumptions relating to these factors could affect the reported fair value of the financial instruments. See Note 38 for further disclosures.

**3. Significant accounting judgments, estimates and assumptions (continued)**

**Estimates and assumptions (continued)**

***Provision for expected credit losses of trade receivables***

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust historical credit loss experience with forward-looking information. At every reporting date, historical default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

The carrying amount of trade receivables as at 31 December 2025 are S\$3,287,000 (2024: S\$4,748,000).

***Specific allowance for and reversal of impairment loss on financial assets in relation to the Australia Hotel Portfolio Transaction***

The Group's provision for specific allowance for impairment loss is established to recognise incurred impairment losses on specific financial assets.

Specific allowances for impairment loss on financial assets are assessed on an individual basis. Individual impairment losses are determined based on the likelihood of the outcome of the legal proceedings as disclosed in Note 36.

As at 31 December 2025, the Group's specific allowance of impairment losses on financial assets at S\$5,085,000 as disclosed in Note 21 and Note 36 was inherently uncertain on the outcome of the recovery actions against iProsperity Group and its administrators to recover the remaining shortfall of the exposure by the fund.

***Fair value measurement of financial derivative***

The fair value of financial derivative held by the Group are measured using valuation techniques including Black Scholes model as this instrument does not have quoted prices in active markets.

The inputs to the valuation model are taken from observable markets where possible, but where this is not feasible, a degree of estimation is required in establishing fair values. Key estimates include considerations of inputs such as volatility, risk-free rate, dividend yield, the level of uncertainty to be ascribed to such profits projection taking into consideration the current stage of the real estate project's development and its sale progress. Changes in assumptions relating to these factors could affect the reported fair value of the financial instrument. See Note 38 for further disclosures.

#### 4. 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.

##### (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.

##### (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.

**4. Operating segment information (continued)**

**(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.

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, which is a measure of adjusted loss before tax. The adjusted loss before tax is measured consistently with the Group's loss before tax except that unallocated other income and gains as well as head office and corporate expenses are excluded from such measurement.

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.

ZACD Group Ltd. and its Subsidiaries

Notes to the Financial Statements  
For the year ended 31 December 2025

4. Operating segment information (continued)

Year ended 31 December 2025	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				
<b>Segment revenue</b>						
External customers	394	2,183	83	37	–	2,697
<b>Segment results</b>	(880)	269	(395)	6	(53)	(1,053)
<i>Reconciliation:</i>						
Other income and gains						515
Fair value loss through profit or loss						(178)
Corporate and unallocated expenses						(5,940)
Loss before tax						(6,656)
<b>Segment assets</b>	5,108	5,564	2,391	3	326	13,392
<i>Reconciliation:</i>						
Corporate and unallocated assets						13,884
Total assets						27,276
<b>Segment liabilities</b>	3,948	2,523	866	3	38	7,378
<i>Reconciliation:</i>						
Corporate and unallocated liabilities						5,614
Total liabilities						12,992
<b>Other segment information:</b>						
Depreciation and amortisation expenses	50	158	7	2	–	217
<i>Reconciliation:</i>						
Corporate and unallocated expenses						215
Total						432
Capital expenditure*	–	138	–	–	–	138
<i>Reconciliation:</i>						
Corporate and unallocated capital expenditure						26
Total						164

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

ZACD Group Ltd. and its Subsidiaries

Notes to the Financial Statements  
For the year ended 31 December 2025

4. Operating segment information (continued)

Year ended 31 December 2024	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				
<b>Segment revenue</b>						
External customers	541	4,017	371	35	–	4,964
<b>Segment results</b>	(54)	2,845	(289)	10	(55)	2,457
<i>Reconciliation:</i>						
Other income and gains						1,079
Fair value loss through profit or loss						(945)
Corporate and unallocated expenses						(3,680)
Loss before tax						(1,089)
<b>Segment assets</b>	5,349	7,477	3,246	13	304	16,389
<i>Reconciliation:</i>						
Corporate and unallocated assets						16,689
Total assets						33,078
<b>Segment liabilities</b>	2,808	2,878	2,003	101	31	7,821
<i>Reconciliation:</i>						
Corporate and unallocated liabilities						4,830
Total liabilities						12,651
<b>Other segment information:</b>						
Depreciation and amortisation expenses	52	172	22	5	–	251
<i>Reconciliation:</i>						
Corporate and unallocated expenses						211
Total						462
Capital expenditure*	1	13	–	–	–	14
<i>Reconciliation:</i>						
Corporate and unallocated capital expenditure						4
Total						18

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

## ZACD Group Ltd. and its Subsidiaries

### Notes to the Financial Statements For the year ended 31 December 2025

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#### 4. Operating segment information (continued)

##### Geographical information

##### (a) Revenue from external customers

	Group	
	2025 S\$'000	2024 S\$'000
Singapore	2,137	4,310
Malaysia	37	35
Australia	83	179
British Virgin Island	440	440
	<hr/>	<hr/>
	2,697	4,964
	<hr/>	<hr/>

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

##### (b) Non-current assets

	Group	
	2025 S\$'000	2024 S\$'000
Singapore	614	304
Other countries/jurisdictions	39	65
	<hr/>	<hr/>
	653	369
	<hr/>	<hr/>

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

##### Information about major customers

Revenue from major customers contributing to 5% or more of the Group's revenue for each of the reporting year is set out below:

	Group	
	2025 S\$'000	2024 S\$'000
Customer A	604	1,078
Customer B	281	883
Customer C	263	578
Customer D	248	456
Customer E	194	288
	<hr/>	<hr/>

**ZACD Group Ltd. and its Subsidiaries**

**Notes to the Financial Statements  
For the year ended 31 December 2025**

**5. 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, property management and tenancy management services, and financial advisory services. An analysis of revenue, other income and gains is as follows:

Year ended 31 December 2025	<u>Investment management</u>		Acquisitions and projects management S\$'000	Property management and tenancy management S\$'000	Financial advisory S\$'000	Total revenue S\$'000
	SPV investment management S\$'000	Fund management S\$'000				
<b>Primary geographical markets</b>						
Singapore	394	1,743	–	–	–	2,137
Malaysia	–	–	–	37	–	37
Australia	–	–	83	–	–	83
British Virgin Island	–	440	–	–	–	440
	<b>394</b>	<b>2,183</b>	<b>83</b>	<b>37</b>	<b>–</b>	<b>2,697</b>
<b>Timing of services</b>						
At a point in time	361	1,377	–	–	–	1,738
Over time	33	806	83	37	–	959
	<b>394</b>	<b>2,183</b>	<b>83</b>	<b>37</b>	<b>–</b>	<b>2,697</b>

**ZACD Group Ltd. and its Subsidiaries**

**Notes to the Financial Statements  
For the year ended 31 December 2025**

**5. Revenue, and other income and gains (continued)**

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

	<u>Investment management</u>			Property management and tenancy management S\$'000	Financial advisory S\$'000	Total revenue S\$'000
	SPV investment management S\$'000	Fund management S\$'000	Acquisitions and projects management S\$'000			
<b>Year ended 31 December 2024</b>						
<b>Primary geographical markets</b>						
Singapore	541	3,577	192	–	–	4,310
Malaysia	–	–	–	35	–	35
Australia	–	–	179	–	–	179
British Virgin Island	–	440	–	–	–	440
	541	4,017	371	35	–	4,964
<b>Timing of services</b>						
At a point in time	523	2,925	192	–	–	3,640
Over time	18	1,092	179	35	–	1,324
	541	4,017	371	35	–	4,964

**ZACD Group Ltd. and its Subsidiaries**

**Notes to the Financial Statements  
For the year ended 31 December 2025**

**5. Revenue, and other income and gains (continued)**

	<b>Group</b>	
	<b>2025</b>	<b>2024</b>
	<b>S\$'000</b>	<b>S\$'000</b>
<b>Revenue</b>		
Investment management		
- SPV investment management fees	<b>394</b>	541
- Fund management fees	<b>2,183</b>	4,017
Acquisitions and projects management fees	<b>83</b>	371
Property management and tenancy management fees	<b>37</b>	35
	<b>2,697</b>	4,964
<b>Other income and gains</b>		
Interest income	<b>133</b>	812
Government grants (Note (i))	<b>10</b>	10
Foreign exchange differences, net	<b>252</b>	-
Gain on disposal of fixed assets	<b>8</b>	-
Operating lease income	<b>37</b>	16
Corporate business service fees (Note (ii))	<b>74</b>	165
Others	<b>1</b>	76
	<b>515</b>	1,079

(i) *Government grants were received/are receivable by certain subsidiaries and the Company in connection with employment of Singaporean and/or non-Singaporean workers under Progressive Wage Credit Scheme, Government-Paid Leave Scheme, Enabling employment credit, Skills Future enterprise Credit, CPF Transition Offset schemes and CIT Rebate cash grants provided by the Singapore 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.*

**6. Staff costs**

	<b>Group</b>	
	<b>2025</b>	<b>2024</b>
	<b>S\$'000</b>	<b>S\$'000</b>
Employee benefit expense (including directors' remuneration (Note 9)):		
Salaries, bonuses, commission and other allowances	<b>2,712</b>	3,490
Retirement benefit scheme contributions (defined contribution scheme)	<b>261</b>	260
	<b>2,973</b>	3,750

## ZACD Group Ltd. and its Subsidiaries

### Notes to the Financial Statements For the year ended 31 December 2025

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#### 7. Impairment losses/(reversal of impairment losses) on financial assets

	Group	
	2025 S\$'000	2024 S\$'000
Impairment in relation to credit impairment of bridging loan (Note (a)):		
Loans and related receivables (Note 21)	4,018	–
Impairment/(reversal of impairment) in relation to trade receivables (Note 17)	183	(8)
Net reversal of impairment in relation to amount due from related parties	(27)	–
Total impairment losses/(reversal of impairment losses) for the year	<u>4,174</u>	<u>(8)</u>

- (a) As at 31 December 2025, an allowance of S\$4,018,000 (2024: S\$Nil) was made against the short-term bridging loan receivables from ZACD Mount Emily Residential Development Fund and ZACD LV Development fund (the “**Borrower**”), sub-funds registered under ZACD Capital Partners VCC. Both funds are single-purpose closed-ended real estate private equities fund set up in connection with residential redevelopment projects. Management has reassessed and made necessary impairment losses for irrecoverable amounts.
- (b) As at 31 December 2025, an allowance of \$183,000 (2024: S\$Nil) was made against the fund management fee receivables from ZACD Mount Emily Residential Development Fund.

## ZACD Group Ltd. and its Subsidiaries

### Notes to the Financial Statements For the year ended 31 December 2025

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#### 8. Loss before tax

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

	<b>Group</b>	
	<b>2025</b>	2024
	<b>S\$'000</b>	S\$'000
Auditor's remuneration	<b>211</b>	198
Professional fees	<b>22</b>	114
Travel and entertainment	<b>105</b>	190
Insurance expenses	<b>157</b>	172
IT services	<b>236</b>	144
Directors' fees	<b>77</b>	78
Fair value loss on financial derivative (Note 29)	<b>178</b>	945
Dividend income from the Establishment Shares included in SPV investment and fund management fees	<b>(337)</b>	(519)
Performance fees included in fund management fees	<b>(348)</b>	(2,397)
<b>Interest expense</b>		
Lease (Note 24)	<b>17</b>	18
Financial lease obligations	<b>2</b>	-
Interest expense on put option to an investor, Top Global Limited	<b>480</b>	480
Interest expense on La Ville Fund	<b>48</b>	48
Interest expenses on short-term bridging loan facilities	<b>308</b>	-
Bank borrowing	<b>7</b>	29
	<b>862</b>	575

## ZACD Group Ltd. and its Subsidiaries

### Notes to the Financial Statements For the year ended 31 December 2025

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#### 9. Directors' and chief executive's remuneration

During the financial year ended 31 December 2025, 9 (2024: 11) directors received remuneration from the Group for their appointment as directors of the Company or in capacity as employees of the Group. The remuneration of the directors as recorded in the financial statements is set out below:

	Group	
	2025 S\$'000	2024 S\$'000
Fees	77	78
Other emoluments:		
Salaries, allowances and benefits in kind	1,269	1,306
Retirement benefit scheme contributions (defined contribution scheme)	72	62
	<b>1,418</b>	<b>1,446</b>

##### (a) Non-executive directors and independent non-executive directors

Mr. Lau Kin Chung Alex and Mr. Ma Yue Leong, Benjamin were appointed as independent non-executive directors with effect from 24 April 2024.

Mr. Kong Chi Mo and Dato' Dr. Sim Mong Keang were appointed as independent non-executive directors with effect from 13 December 2017. They have both retired from their positions with effect from 24 April 2024.

Mr. Eugene Lim Chin Hon is appointed as independent non-executive director with effect from 14 June 2023.

##### (b) Executive directors and chief executive

Mr. Yeo Choon Guan (Yao Junyuan) and Ms. Sim Kain Kain were appointed as directors of the Company on 8 November 2016. Mr. Yeo Choon Guan (Yao Junyuan) was re-designated as the chief executive officer of the Company on 12 July 2017.

Mr. Tan Puay Khiang, Francis was appointed as executive director and chief operating officer of the Company on 6 June 2024 and resigned as executive director on 24 November 2025. Mr. Han Xiangfeng was appointed as executive director of the Company on 6 June 2024 and resigned as executive director on 12 February 2026.

Mr. Mark Oh Keng Kwan was appointed as executive director of the Company with effect from 22 April 2022 and resigned as executive director on 31 August 2024.

Mr. Phua Cher Chew (Pan Ziqiu) was appointed as executive director of the Company on 24 November 2025.

Mr. Chin Meng Liong was appointed as executive director of the Company on 11 March 2021.

ZACD Group Ltd. and its Subsidiaries

Notes to the Financial Statements  
For the year ended 31 December 2025

9. Directors' and chief executive's remuneration (continued)

(c) Executive directors and chief executive (continued)

The remuneration of each of the directors of the Company for the years ended 31 December 2025 and 2024 is set out below:

	Fees S\$'000	Salaries, allowances and benefits in kind S\$'000	Retirement benefit scheme contributions S\$'000	Total S\$'000
<b>Year ended 31 December 2025</b>				
Yeo Choon Guan (Yao Junyuan)	–	370	15	385
Sim Kain Kain	–	370	13	383
Phua Cher Chew (Pan Ziqiu)	–	18	2	20
Chin Meng Liong	–	174	11	185
Tan Puay Khiang, Francis	–	171	15	186
Han Xiang Feng	–	166	16	182
Eugene Lim Chin Hon	26	–	–	26
Lau Kin Chung Alex	26	–	–	26
Ma Yue Leong, Benjamin	25	–	–	25
	<b>77</b>	<b>1,269</b>	<b>72</b>	<b>1,418</b>
<b>Year ended 31 December 2024</b>				
Yeo Choon Guan (Yao Junyuan)	–	396	14	410
Sim Kain Kain	–	396	12	408
Chin Meng Liong	–	183	10	193
Mark Oh Keng Kwan	–	122	10	132
Tan Puay Khiang, Francis	–	108	8	116
Han Xiang Feng	–	101	8	109
Kong Chi Mo	9	–	–	9
Eugene Lim Chin Hon	26	–	–	26
Lau Kin Chung Alex	17	–	–	17
Ma Yue Leong, Benjamin	22	–	–	22
Sim Mong Keang	4	–	–	4
	<b>78</b>	<b>1,306</b>	<b>62</b>	<b>1,446</b>

During the years ended 31 December 2024 and 2025, no remuneration was paid or payable by the Group to the directors as an inducement to join or upon joining the Group or as compensation for loss of office.

There was no arrangement under which a director waived or agreed to waive any remuneration during the years ended 31 December 2024 and 2025.

## ZACD Group Ltd. and its Subsidiaries

### Notes to the Financial Statements For the year ended 31 December 2025

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#### 10. Five highest paid employees

The five highest paid employees during the year ended 31 December 2025 included four (2024: four) of the directors of the Company, details of whose remuneration are set out in Note 9 above.

Details of the remuneration of the remaining highest paid employees who are neither a director nor chief executive for the years are analysed as follows:

	<b>Group</b>	
	<b>2025</b>	<b>2024</b>
	<b>S\$'000</b>	<b>S\$'000</b>
Salaries, allowances and benefits in kind	<b>240</b>	240

The number of non-director and non-chief executive highest paid employees whose remuneration fell within the following bands for the years ended 31 December 2024 and 2025 is as follows:

	<b>Group</b>	
	<b>2025</b>	<b>2024</b>
HKD1,000,001 to HKD1,500,000	<b>1</b>	1

#### 11. Income tax expense

Singapore profits tax has been provided on the estimated assessable profits arising in Singapore at a rate of 17% during the current year. No provision for profits tax has been made in other countries/jurisdictions in which the Group operates as the Group did not generate any assessable profits arising in other countries/jurisdictions during the years ended 31 December 2025 and 2024.

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

	<b>Group</b>	
	<b>2025</b>	<b>2024</b>
	<b>S\$'000</b>	<b>S\$'000</b>
Current:		
- Provision for current year	–	291
- Overprovision in respect of previous years	<b>(282)</b>	(206)
- Group tax relief	<b>(798)</b>	–
Deferred taxation:		
- Origination and reversal of temporary differences	(3)	30
Total tax expense for the year	<b>(1,083)</b>	115

**ZACD Group Ltd. and its Subsidiaries**

**Notes to the Financial Statements  
For the year ended 31 December 2025**

**11. Income tax expense (continued)**

A reconciliation of the loss before tax at the statutory rates for the countries/jurisdictions in which the Company and the majority of its subsidiaries are domiciled to the tax expense at the Group's effective tax rates is as follows:

**Year ended 31 December 2025**

	Singapore		Hong Kong		Australia		Total
	S\$'000	%	S\$'000	%	S\$'000	%	S\$'000
Loss before tax	<b>(6,240)</b>		<b>(301)</b>		<b>(115)</b>		<b>(6,656)</b>
Tax at the statutory tax rate	<b>(1,061)</b>		<b>(50)</b>	<b>16.5</b>	<b>(35)</b>	<b>30</b>	<b>(1,146)</b>
Expenses not deductible for tax	<b>838</b>		<b>50</b>		<b>35</b>		<b>923</b>
Income not subject to tax	<b>(98)</b>		–		–		<b>(98)</b>
Deferred tax assets not recognised	<b>319</b>		–		–		<b>319</b>
Group tax relief	<b>(798)</b>		–		–		<b>(798)</b>
Overprovision in respect of previous years	<b>(282)</b>		–		–		<b>(282)</b>
Effect of partial tax exemption and tax relief	<b>(1)</b>		–		–		<b>(1)</b>
Tax credit at the Group's effective rate	<b>(1,083)</b>		–		–		<b>(1,083)</b>

**Year ended 31 December 2024**

	Singapore		Hong Kong		Australia		Total
	S\$'000	%	S\$'000	%	S\$'000	%	S\$'000
Loss before tax	<b>(1,022)</b>		<b>(95)</b>		<b>28</b>		<b>(1,089)</b>
Tax at the statutory tax rate	<b>(174)</b>		<b>(16)</b>	<b>16.5</b>	<b>8</b>	<b>30</b>	<b>(182)</b>
Expenses not deductible for tax	<b>421</b>		<b>16</b>		–		<b>437</b>
Income not subject to tax	<b>(102)</b>		–		<b>(8)</b>		<b>(110)</b>
Deferred tax assets not recognised	<b>219</b>		–		–		<b>219</b>
Overprovision in respect of previous years	<b>(206)</b>		–		–		<b>(206)</b>
Effect of partial tax exemption	<b>(43)</b>		–		–		<b>(43)</b>
Tax expense at the Group's effective rate	<b>115</b>		–		–		<b>115</b>

## ZACD Group Ltd. and its Subsidiaries

### Notes to the Financial Statements For the year ended 31 December 2025

#### 12. Loss per share attributable to owners of the Company

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

	2025 S\$'000	2024 S\$'000
<b>Loss</b>		
Loss for the purpose of calculating basic and diluted earnings per share profit for the year attributable to owners of the Company	(5,573)	(1,204)
<b>Number of shares</b>		
Weighted average number of ordinary shares for the purpose of calculating basic and diluted earnings per share	2,000,000,000	2,000,000,000

#### 13. Dividends

No dividend was paid or proposed by the Company for the financial year ended 31 December 2025 (31 December 2024: Nil).

#### 14. Property, plant and equipment

Group	Computers S\$'000	Office equipment S\$'000	Furniture and fittings S\$'000	Renovation S\$'000	Motor vehicles S\$'000	Total S\$'000
<b>Cost:</b>						
At 1 January 2024	520	52	95	101	83	851
Additions	18	–	–	–	–	18
At 31 December 2024 and 1 January 2025	<b>538</b>	<b>52</b>	<b>95</b>	<b>101</b>	<b>83</b>	<b>869</b>
Additions	<b>15</b>	<b>12</b>	–	–	<b>137</b>	<b>164</b>
Disposal	–	–	–	–	<b>(78)</b>	<b>(78)</b>
At 31 December 2025	<b>553</b>	<b>64</b>	<b>95</b>	<b>101</b>	<b>142</b>	<b>955</b>
<b>Accumulated depreciation:</b>						
At 1 January 2024	434	51	93	45	25	648
Charge for the year	48	1	1	33	15	98
At 31 December 2024 and 1 January 2025	<b>482</b>	<b>52</b>	<b>94</b>	<b>78</b>	<b>40</b>	<b>746</b>
Charge for the year	<b>12</b>	<b>1</b>	<b>1</b>	<b>22</b>	<b>11</b>	<b>47</b>
Disposal	–	–	–	–	<b>(42)</b>	<b>(42)</b>
At 31 December 2025	<b>494</b>	<b>53</b>	<b>95</b>	<b>100</b>	<b>9</b>	<b>751</b>
<b>Net carrying amount:</b>						
At 31 December 2024	56	–	1	23	43	123
At 31 December 2025	<b>59</b>	<b>11</b>	<b>–</b>	<b>1</b>	<b>133</b>	<b>204</b>

**ZACD Group Ltd. and its Subsidiaries**

**Notes to the Financial Statements  
For the year ended 31 December 2025**

**14. Property, plant and equipment (continued)**

During the financial year, the Group acquired motor vehicles with an aggregate cost of S\$95,000 by means of leases. The cash outflow on acquisition of property, plant and equipment in 2025 amounted to S\$69,000 (2024: S\$18,000).

The motor vehicle and copiers are pledged as security for the related finance lease liabilities. The carrying amount of motor vehicles and copiers held under finance leases at the end of the reporting year was S\$133,000 (2024: S\$19,000).

	<b>Computers</b> S\$'000	<b>Office equipment</b> S\$'000	<b>Furniture and fittings</b> S\$'000	<b>Renovation</b> S\$'000	<b>Total</b> S\$'000
<b>Company</b>					
<b>Cost:</b>					
At 1 January 2024	154	22	76	101	353
Additions	4	–	–	–	4
At 31 December 2024 and 1 January 2025	<b>158</b>	<b>22</b>	<b>76</b>	<b>101</b>	<b>357</b>
Additions	<b>15</b>	<b>12</b>	<b>–</b>	<b>–</b>	<b>27</b>
At 31 December 2025	<b>173</b>	<b>34</b>	<b>76</b>	<b>101</b>	<b>384</b>
<b>Accumulated depreciation:</b>					
At 1 January 2024	118	21	74	45	258
Charge for the year	34	1	1	33	69
At 31 December 2024 and 1 January 2025	<b>152</b>	<b>22</b>	<b>75</b>	<b>78</b>	<b>327</b>
Charge for the year	<b>4</b>	<b>1</b>	<b>1</b>	<b>22</b>	<b>28</b>
At 31 December 2025	<b>156</b>	<b>23</b>	<b>76</b>	<b>100</b>	<b>355</b>
<b>Net carrying amount:</b>					
At 31 December 2024	6	–	1	23	30
At 31 December 2025	<b>17</b>	<b>11</b>	<b>–</b>	<b>1</b>	<b>29</b>

## ZACD Group Ltd. and its Subsidiaries

### Notes to the Financial Statements For the year ended 31 December 2025

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#### 15. Investment in equity securities

	<b>Group</b>	
	<b>2025</b>	2024
	<b>S\$'000</b>	S\$'000
At fair value through other comprehensive income		
Unlisted equity shares, at fair value	<b>51</b>	203
	<b>51</b>	203

The fair value of each of the investments in equity instruments designated at fair value through other comprehensive income at the end of the reporting year is as follows:

	<b>Group</b>	
	<b>2025</b>	2024
	<b>S\$'000</b>	S\$'000
At fair value through other comprehensive income		
Unlisted equity shares, at fair value		
ZACD (Woodlands12) Pte. Ltd.	<b>51</b>	203

During the year ended 31 December 2025, 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\$152,000 (2024: S\$367,000).

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 through the Establishment Shares it has received from the investors and as and when declared by the Investment SPVs. Such dividend distributions are included in revenue under SPV investment management fees (Note 5).

As at 31 December 2025, the Group held approximately between 9% and 18% equity shares in each of 2 investment SPVs (2024: between 9% and 18% equity shares in each of 4 investment SPVs).

## ZACD Group Ltd. and its Subsidiaries

### Notes to the Financial Statements For the year ended 31 December 2025

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#### 16. Investment in fund entities

	Group		Company	
	2025 S\$'000	2024 S\$'000	2025 S\$'000	2024 S\$'000
At fair value through other comprehensive income Unlisted fund entities, at fair value	879	1,328	853	1,269

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The fair value of each of the investments in equity instruments designated at fair value through other comprehensive income at the end of the reporting year is as follows:

	Group	
	2025 S\$'000	2024 S\$'000
At fair value through other comprehensive income Unlisted fund entities, at fair value		
ZACD Mount Emily Residential Development Fund	–	467
ZACD (BBEC) Pte. Ltd.	875	857
ZACD (Development4) Ltd.	4	4
	879	1,328

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## ZACD Group Ltd. and its Subsidiaries

### Notes to the Financial Statements For the year ended 31 December 2025

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#### 16. Investment in fund entities (continued)

	Company	
	2025	2024
	S\$'000	S\$'000
At fair value through other comprehensive income		
Unlisted fund entities, at fair value		
ZACD Mount Emily Residential Development Fund	–	431
ZACD (BBEC) Pte. Ltd.	849	834
ZACD (Development4) Ltd.	4	4
	<hr/>	<hr/>
	853	1,269
	<hr/> <hr/>	<hr/> <hr/>

During the year ended 31 December 2021, the Company invested in ZACD (Development4) Ltd. with an interest of 0.46% in fund entity.

During the year ended 31 December 2023, the Company invested in two development funds managed by the Group, ZACD Mount Emily Residential Development Fund and ZACD (BBEC) Pte. Ltd. The respective subscription by the Company to the two development funds constitute 9.28% in ZACD Mount Emily Residential Development Fund and 5% in ZACD (BBEC) Pte. Ltd.

During the year ended 31 December 2025, 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\$449,000 (2024: S\$504,000).

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.

Investment in fund entities represent the convertible loan interest held by the Group, of which it will be converted to a Class or sub-Class of Participating Shares on the relevant conversion date at the subscription price equal to the Net Asset Value per Participating Share corresponding to 100% of the investors' capital contributions. The fund entities may issue to each Investor or re-designate a separate sub-class of the relevant Participating Shares without the consent of existing investors. It entitles to dividends and participate in the return of capital and surplus assets of fund entities upon the dissolution and winding up of the fund entities.

Such Participating Shares in fund entities will only be received by the Group upon conversion of their convertible loans as and when the underlying real estate development project is substantially completed or the expiry of the term of the fund entities.

**ZACD Group Ltd. and its Subsidiaries**

**Notes to the Financial Statements  
For the year ended 31 December 2025**

**17. Trade receivables**

	<b>Group</b>		<b>Company</b>	
	<b>2025</b> <b>S\$'000</b>	<b>2024</b> <b>S\$'000</b>	<b>2025</b> <b>S\$'000</b>	<b>2024</b> <b>S\$'000</b>
Trade receivables	<b>3,684</b>	4,962	<b>50</b>	38
Less: Allowance for impairment losses	<b>(397)</b>	(214)	<b>-</b>	-
	<b>3,287</b>	4,748	<b>50</b>	38

The movement in the impairment allowances for trade receivables during the year is as follow:

	<b>Group</b>	
	<b>2025</b> <b>S\$'000</b>	<b>2024</b> <b>S\$'000</b>
At beginning of the year	<b>214</b>	226
Allowance for/(reversal of) impairment losses (Note 7)	<b>183</b>	(8)
Written off allowance for impairment losses	<b>-</b>	(4)
At end of the year	<b>397</b>	214

For the year ended 31 December 2024, management had reassessed the allowance for impairment loss of S\$4,000 in respect of the Group's financial advisory fee receivables previously recognised to be irrecoverable and accordingly written off these debts.

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 of the year, based on the invoice date, is as follows:

	<b>Group</b>	
	<b>2025</b> <b>S\$'000</b>	<b>2024</b> <b>S\$'000</b>
Within 1 month	<b>253</b>	1,168
1 to 2 months	<b>8</b>	8
2 to 3 months	<b>17</b>	8
Over 3 months	<b>3,009</b>	3,564
	<b>3,287</b>	4,748

## ZACD Group Ltd. and its Subsidiaries

### Notes to the Financial Statements For the year ended 31 December 2025

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#### 17. Trade receivables (continued)

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

	<b>Group</b>	
	<b>2025</b>	<b>2024</b>
	<b>S\$'000</b>	<b>S\$'000</b>
Neither past due nor impaired	<b>253</b>	1,168
Less than 1 month past due	<b>8</b>	8
1 to 3 months past due	<b>3,026</b>	3,572
	<b>3,287</b>	4,748

Trade receivables that were neither past due nor impaired relate to a number of 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 31 December 2025 and 2024, 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.

	<b>Group</b>	
	<b>2025</b>	<b>2024</b>
	<b>S\$'000</b>	<b>S\$'000</b>
Related parties*	<b>3,053</b>	4,294

## ZACD Group Ltd. and its Subsidiaries

### Notes to the Financial Statements For the year ended 31 December 2025

#### 17. Trade receivables (continued)

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

	Group	
	2025 S\$'000	2024 S\$'000
Landmark JV Pte. Ltd.	450	450
ZACD (Development2) Ltd.	593	845
ZACD Mount Emily Residential Development Fund	26	155
Kurnia Rezeki Utama Sdn Bhd	27	9
ZACD LV Development Pte. Ltd.	1,207	1,207
ZACD Laserblue Pte. Ltd.	–	665
ZACD LV Development Fund	595	412
ZACD (Mandai) Ltd.	–	46
ZACD Media Circle Fund	84	497
ZACD (CCK) Pte. Ltd.	–	2
ZACD (Shunfu) Ltd.	3	2
ZACD (Shunfu2) Ltd.	–	2
ZACD Tampines Industrial Fund	3	2
ZACD (BBEC) Pte. Ltd.	63	–
ZACD (Woodlands12) Pte. Ltd.	2	–
	<b>3,053</b>	<b>4,294</b>

Relationships of the above related companies with the Company or the Group are set out in Note 33 to the financial statements.

#### 18. Investments in subsidiaries

	Company	
	2025 S\$'000	2024 S\$'000
Unlisted shares, at cost:		
At beginning of the year	19,202	19,202
Less: Allowance for impairment	(10,951)	(7,427)
At end of the year	<b>8,251</b>	<b>11,775</b>
Movements of impairment losses:		
At beginning of year	(7,427)	(7,427)
Impairment losses for the year	(3,524)	–
	<b>(10,951)</b>	<b>(7,427)</b>

During the financial year, an impairment loss amounting to \$3,524,000 (2024: \$Nil) was recognised during the financial year. The recoverable amount was estimated based on the fair value of the underlying assets and liabilities of the subsidiaries.

## ZACD Group Ltd. and its Subsidiaries

### Notes to the Financial Statements For the year ended 31 December 2025

#### 18. Investments in subsidiaries (continued)

As at the date of this report, the Company had direct and indirect interests in its subsidiaries, all of which are private limited liability companies (or, if incorporated outside Singapore, have substantially similar characteristics to a private company incorporated in Singapore), the particulars of which are set out below:

Company name	Place and date of incorporation/ registration and business	Nominal value of issued ordinary/ registered share capital	Percentage of equity attributable to the Company		Principal activities
			2025	2024	
<i>Held by the Company:</i>					
ZACD International Pte. Ltd. <sup>1</sup>	Singapore 28 January 2011	S\$1,500,000	100%	100%	Investment management, acquisitions and projects management and property management services
ZACD Capital Pte. Ltd. <sup>1</sup>	Singapore 25 October 2011	S\$4,580,000	100%	100%	Investment management and fund management services
ZACD Financial Group Limited <sup>2</sup>	Hong Kong 7 October 2015	HKD23,650,000	100%	100%	Financial advisory services
ZACD Group Holdings Limited <sup>2</sup>	Hong Kong 7 October 2015	HKD10,000	100%	100%	Investment management services
ZACD POSH Pte. Ltd. <sup>1</sup>	Singapore 17 November 2016	S\$10,000	100%	100%	Property management and tenancy management services
ZACD (Australia) Pty Ltd. <sup>3</sup>	Australia 23 November 2016	AUD2	100%	100%	Business consulting services
ZACD Fund Holdings Pte. Ltd. <sup>1</sup>	Singapore 15 March 2017	S\$2	100%	100%	Fund holding

## ZACD Group Ltd. and its Subsidiaries

### Notes to the Financial Statements For the year ended 31 December 2025

#### 18. Investments in subsidiaries (continued)

Company name	Place and date of incorporation/ registration and business	Nominal value of issued ordinary/ registered share capital	Percentage of equity attributable to the Company		Principal activities
			2025	2024	
<i>Held by the Company (continued):</i>					
ZACD Capital Group Pty Ltd <sup>4</sup>	Australia 16 January 2023	AUD100	100%	100%	Fund holding
ZACD Capital (Australia) Pty Ltd <sup>4</sup>	Australia 22 September 2023	AUD2	100%	100%	Dormant
<i>Held through ZACD Fund Holdings Pte. Ltd.:</i>					
ARO II (Australia) Pty Ltd <sup>3</sup>	Australia 9 December 2020	AUD10	100%	100%	Trustee
ARO II (Bay Road) Pty Ltd <sup>3</sup>	Australia 9 December 2020	AUD120	100%	100%	Trustee
ARO II (Murray Street) Pty Ltd <sup>3</sup>	Australia 9 December 2020	AUD10	100%	100%	Trustee

<sup>1</sup> The statutory financial statements of these entities for the years ended 31 December 2024 and 2025 prepared under Singapore Financial Reporting Standards were audited by Ernst & Young LLP, Singapore.

<sup>2</sup> The statutory financial statements of these entities for the years ended 31 December 2024 and 2025 prepared under Hong Kong Financial Reporting Standards were audited by Alliance & Associates Certified Public Accountants.

<sup>3</sup> The statutory financial statements of these entities for the year ended 31 December 2024 and 2025 prepared under Australian Financial Reporting Standards were audited by Independent Audit Services Pty. Ltd.

<sup>4</sup> This entity is exempted for audit for the year ended 31 December 2024 and 2025.

As at 31 December 2025, the amounts due from subsidiaries of S\$2,479,000 (2024: S\$1,976,000), included in the current assets of the Company, are unsecured, non-interest bearing and repayable on demand.

As at 31 December 2025, the amounts due to subsidiaries of S\$4,242,000 (2024: S\$4,356,000), included in the current liabilities of the Company, are unsecured, non-interest bearing and repayable on demand.

## ZACD Group Ltd. and its Subsidiaries

### Notes to the Financial Statements For the year ended 31 December 2025

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#### 19. Balances with ultimate holding company and related parties

The balances with ultimate holding company and related parties are unsecured, non-interest bearing and repayable on demand.

Particulars of the amounts due from the related parties of the Group and Company are as follows:

#### Group

31 December 2025

	31 December 2025 S\$'000	31 December 2024 S\$'000
<b>Due from ultimate holding company</b>		
ZACD Investments Pte. Ltd.	220	–
<b>Due from related parties</b>		
ZACD (Neew) Pte. Ltd.	12	6
ZACD (Neew2) Pte. Ltd.	6	–
SLP International Property Consultants Pte. Ltd.	84	40
ZACD LV Development Fund	–	74
Remarkable Reach International Limited	–	98
ZACD LV Development Pte. Ltd.	364	81
ZACD LV Holdings Pte. Ltd.	24	16
ZACD Mount Emily Residential Development Fund	–	56
ARO II (Murray Street) Trust	–	27
ZACD Capital (Australia) Pty Ltd	–	42
ARO II (Bay Road) Trust	2	–
ARO II (Tebrau) Pte. Ltd.	9	7
ZACD (MSPIF) Pte. Ltd.	–	4
ZACD Capital Partners VCC	410	–
ZACD (Development4) Ltd.	11	18
ZACD (Development2) Ltd.	798	–
ZACD Berwick Drive Pte. Ltd.	18	–
ZACD (BBW6) Ltd.	6	–
ZACD (Tribe) Pte Ltd	4	–
Zelitist Pte. Ltd.	4	–
	<b>1,752</b>	<b>469</b>

## ZACD Group Ltd. and its Subsidiaries

### Notes to the Financial Statements For the year ended 31 December 2025

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#### 19. Balances with ultimate holding company and related parties (continued)

##### Company

31 December 2025

	31 December 2025 S\$'000	31 December 2024 S\$'000
<b>Due from related parties</b>		
SLP International Property Consultants Pte. Ltd.	31	2
Remarkable Reach International Limited	-	98
ZACD Mount Emily Residential Development Fund	-	56
ZACD Capital Partners VCC	190	-
ZACD LV Holdings Pte. Ltd.	24	16
ZACD LV Development Fund	-	74
ZACD LV Development Pte. Ltd.	38	8
ARO II (Murray Street) Trust	-	27
ARO II (Tebrau) Pte. Ltd.	9	7
ZACD (Development4) Ltd.	11	18
ZACD (Development2) Ltd.	46	-
ZACD Berwick Drive Pte Ltd.	18	-
ZACD (BBW6) Ltd.	6	-
ZACD (Tribe) Pte Ltd	4	-
Zelitist Pte. Ltd.	4	-
	<hr/>	<hr/>
	<b>381</b>	<b>306</b>

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## ZACD Group Ltd. and its Subsidiaries

### Notes to the Financial Statements For the year ended 31 December 2025

#### 19. Balances with ultimate holding company and related parties (continued)

Particulars of the amounts due to related parties of the Group and the Company are as follows:

	Group		Company	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
<b>Due to ultimate holding company</b>				
ZACD Investments Pte. Ltd.	–	35	16	63
<b>Due to related parties</b>				
Magnificent Vine Group Holdings Pte. Ltd.	394	94	300	–
SLP International Property Consultants Pte. Ltd.	6	9	6	9
Remarkable Reach International Limited	27	–	27	–
ZACD (Shunfu) Ltd.	–	94	–	–
ZACD (Shunfu2) Ltd.	–	706	–	–
ARO II (Murray Street) Trust	218	192	–	–
ZACD LV Development Fund	1,932	1,892	–	–
ARO II (Bay Road) Trust	–	2,733	–	–
Core Creative Pte. Ltd.	160	–	160	–
Creo Adworld Pte. Ltd.	40	–	40	–
	<b>2,777</b>	<b>5,720</b>	<b>533</b>	<b>9</b>

Relationships of the above related parties with the Company or the Group are set out in Note 33 to the financial statements.

All the balances with ultimate holding company and related parties of the Group and the Company are non-trade in nature.

#### 20. Prepayments, deposits and other receivables

	Group		Company	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Prepayments	223	332	110	141
Deposits	72	134	62	125
Interest receivable	196	143	–	–
Other receivables	342	210	239	199
	<b>833</b>	<b>819</b>	<b>411</b>	<b>465</b>
Less: amounts classified as current assets	<b>(668)</b>	<b>(633)</b>	<b>(247)</b>	<b>(278)</b>
Amounts classified as non-current assets	<b>165</b>	<b>186</b>	<b>164</b>	<b>187</b>

None of the above assets is either past due or impaired. Financial assets included in the above balances relate to deposits and receivables for which there was no recent history of default.

## ZACD Group Ltd. and its Subsidiaries

### Notes to the Financial Statements For the year ended 31 December 2025

#### 21. Loans and related receivables

	Group	
	2025 S\$'000	2024 S\$'000
<b>Current</b>		
Advances/bridging loans funded to:		
ZACD (Development4) Ltd.	5,085	5,085
ZACD Mount Emily Residential Development Fund	2,893	3,750
ZACD (Development2) Ltd.	1,646	1,210
ZACD LV Development Fund	12,777	11,872
Kurnia Rezeki Utama Sdn. Bhd.	379	379
ARO II (Tebrau) Pte. Ltd.	526	375
ZACD Media Circle Fund	-	300
ZACD Laserblue Pte. Ltd.	-	600
ZACD Industrial Opportunities Fund	15	-
Interest receivables on loan to:		
ZACD Mount Emily Residential Development Fund	239	239
ZACD (Development2) Ltd.	85	8
ZACD LV Development Fund	659	659
Kurnia Rezeki Utama Sdn. Bhd.	44	26
ARO II (Tebrau) Pte. Ltd.	24	4
Less: Allowance for impairment losses	(9,103)	(5,085)
	<b>15,269</b>	<b>19,422</b>

	Company	
	2025 S\$'000	2024 S\$'000
<b>Current</b>		
Advances/bridging loans funded to:		
ZACD (Development4) Ltd.	5,085	5,085
ZACD Mount Emily Residential Development Fund	1,393	2,250
ZACD (Development2) Ltd.	1,210	1,210
ZACD LV Development Fund	9,047	8,446
Kurnia Rezeki Utama Sdn. Bhd.	379	379
ARO II (Tebrau) Pte. Ltd.	526	375
ZACD Industrial Opportunities Fund	15	-
Interest receivables on loan to:		
ZACD Mount Emily Residential Development Fund	167	167
ZACD (Development2) Ltd.	80	8
ZACD LV Development Fund	614	614
Kurnia Rezeki Utama Sdn. Bhd.	44	26
ARO II (Tebrau) Pte. Ltd.	24	4
Less: Allowance for impairment losses	(7,531)	(5,085)
	<b>11,053</b>	<b>13,479</b>

## ZACD Group Ltd. and its Subsidiaries

### Notes to the Financial Statements For the year ended 31 December 2025

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#### 21. Loans and related receivables (continued)

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

	Group	
	2025 S\$'000	2024 S\$'000
At beginning of the year	5,085	5,085
Allowance for impairment losses	4,018	–
At end of the year	9,103	5,085

  

	Company	
	2025 S\$'000	2024 S\$'000
At beginning of the year	5,085	5,085
Allowance for impairment losses	2,446	–
At end of the year	7,531	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., an indirect wholly-owned special purpose fund vehicle of the Company is the fund holding entity of this Fund 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 recorded allowance for impairment losses on the Group’s trade receivables in respect of the investment management fees amounting to S\$3,677,000 and allowance for impairment loss on the bridging advance to ZACD (Development4) Ltd. 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 according to the settlement schedule from the Defendants in September 2021. Following the settlement, a portion of the bridging advance extended by the Group to the Fund was settled with S\$816,000 to be received up to two years from the Deed of Settlement, and accordingly, the impairment loss of S\$7,574,000 was reversed by the Group during the year ended 31 December 2021. As at 31 December 2023, further allowance for impairment loss of S\$374,000 was made against the bridging advance to ZACD (Development4) Ltd.

21. Loans and related receivables (continued)

(b) 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, there was a S\$400,000 short term bridging facility extended to the fund. In addition, on 12 and 13 March 2024, a S\$1,500,000 short term bridging facility were further extended to the fund. On 22 April 2025, a S\$300,000 short term bridging facility was extended to the fund. On 28 October 2025, the loan of S\$1,260,000 extended by the Group to the fund, which was placed as a fixed deposit to serve as bank collateral for the Mount Emily project, was fully repaid following the refinancing of the project with a new financier under imposed covenant terms. On 3 December 2025, a S\$103,000 short term bridging facility was extended to the fund.

The Company has 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.

21. Loans and related receivables (continued)

(b) **Bridging facility to ZACD Mount Emily Residential Development Fund (continued)**

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 2025, S\$2,893,000 (31 December 2024: S\$3,750,000) has been drawn down on the Facility by the Borrower. Prior to 31 December 2024, the facility bears interest at 6% per annum. With effect from 1 January 2025, the Group waived the charging interest on the Facility to the Borrower.

During the year, the Group has provided an allowance for impairment losses amounting to S\$3,132,000, which is assessed based on the profitability of the underlying residential development project.

(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 2023 to increase the facility to S\$1,750,000. 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. On 22 October 2024, a S\$250,000 short term bridging facility was extended to the fund. Accordingly, on 8 October 2025 and 21 October 2025, a S\$212,000 and S\$12,000 short term bridging facility were extended to the fund. On 20 November 2025, a S\$212,000 short term bridging facility was further extended to the fund.

The Company has agreed to grant 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 2025, S\$1,646,000 (31 December 2024: S\$1,210,000) has been drawn down on the Facility by the Borrower which bears interest at 6% per annum.

(d) **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 re-development 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

## ZACD Group Ltd. and its Subsidiaries

### Notes to the Financial Statements For the year ended 31 December 2025

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December 2021 on behalf of ZACD LV Development Pte. Ltd., the Development SPV of the La Ville Project.

#### 21. Loans and related receivables (continued)

##### (d) Bridging facility to ZACD LV Development Fund (continued)

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 2023 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 is managed by ZACD Capital Pte. Ltd. On 15 January 2024, a S\$2,625,000 short term bridging facility was extended to the fund. Subsequently, on 28 October 2024 and 26 November 2024, a S\$750,000 and S\$1,500,000 were further extended to the fund. On 14 February 2025, a S\$125,000 short term bridging facility was extended to the fund. On 22 April 2025 and 28 April 2025, a S\$270,000 and S\$330,000 short term bridging facility were further extended to the fund. On 27 May 2025, a S\$180,000 short term bridging facility was further extended to the fund.

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 31 December 2025, S\$12,777,000 (31 December 2024: S\$11,872,000) has been drawdown on the Facility by the Borrower. Prior to 31 December 2024, the facility bears interest at 6% per annum. With effect from 1 January 2025, the Group waived the charging interest on the Facility to the Borrower.

During the year, the Group has provided an allowance for impairment losses amounting to S\$886,000, which is assessed based on the profitability of the underlying residential development project.

##### (e) Bridging facility to Kurnia Rezeki Utama 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 “**Borrower**”). The principal activities of the Borrower is that 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.

**ZACD Group Ltd. and its Subsidiaries**

**Notes to the Financial Statements  
For the year ended 31 December 2025**

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As at 31 December 2025, S\$379,000 (31 December 2024: S\$379,000) has been drawn down on the Facility by the Borrower which bears interest at 5% per annum.

**21. Loans and related receivables (continued)**

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

On 9 May 2024, the Company entered into a S\$130,000 short term bridging facility agreement (the "Facility") with ARO II (Tebrau) Pte. Ltd, with a supplemental on 24 December 2024 to increase the facility to S\$375,500. The principal activities of the Borrower is that of property investment and leasing. On 20 November 2025, a S\$180,000 short term bridging facility was further extended to the fund.

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 31 December 2025, S\$526,000 (31 December 2024: S\$375,500) has been drawn down on the Facility by the Borrower which bears interest at 5% per annum.

**(g) Bridging facility to ZACD Media Circle Fund**

On 29 November 2024, the Company entered into a S\$50,000 short term bridging facility agreement (the "**Facility**") with ZACD Media Circle Fund (the "**Borrower**"), a sub-fund registered under ZACD Capital Partners VCC, with a supplemental on 30 December 2024 to increase the facility to S\$300,000. The Borrower is a single-purpose closed-ended real estate private equity fund set up in connection with a residential development project located at 99-year leasehold government land sale plot at Media Circle Singapore (collectively the "**Media Circle 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 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 31 December 2025, the loan and related receivables extended by the Group to the fund had been fully repaid.

**(h) ZACD Laserblue Pte. Ltd.**

This pertains advances to ZACD Laserblue Pte. Ltd. The amount is interest free and repayable on demand.

As at 31 December 2025, the loan and related receivables extended by the Group to the fund had been fully repaid.

## ZACD Group Ltd. and its Subsidiaries

### Notes to the Financial Statements For the year ended 31 December 2025

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#### 21. Loans and related receivables (continued)

##### (i) ZACD Industrial Opportunities Fund

On 16 December 2025, the Company entered into a S\$15,000 short term bridging facility agreement (the “**Facility**”) with ZACD Industrial Opportunities 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 an industrial land parcel located at Sengkang West Rod Seleta West Road 3, launched by JTC under the 2025 IGLS Programme. 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 for investment purposes. 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.

As at 31 December 2025, S\$15,000 (31 December 2024: S\$Nil) has been drawn down on the Facility by the Borrower which bears interest at 6% per annum.

#### 22. Cash and bank balances

	Group		Company	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Cash and bank balances	<b>3,940</b>	5,314	<b>674</b>	895

As at 31 December 2025, fixed deposits amounting to S\$2,380,000 were pledged to a financial institution as collateral for banking facilities to La Ville Project. These deposits are restricted and not available for general use by the Group until the associated banking facility is discharged.

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:

	Group		Company	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Hong Kong dollar (HKD)	<b>68</b>	38	<b>2</b>	2
Australia dollar (AUD)	<b>133</b>	291	<b>59</b>	272

**ZACD Group Ltd. and its Subsidiaries**

**Notes to the Financial Statements  
For the year ended 31 December 2025**

**23. Other payables and accruals**

	<b>Group</b>		<b>Company</b>	
	<b>2025 \$'000</b>	<b>2024 \$'000</b>	<b>2025 \$'000</b>	<b>2024 \$'000</b>
Other payables	1,393	1,456	161	174
Accruals	455	975	107	335
Deferred revenue	222	291	–	–
	<b>2,070</b>	<b>2,722</b>	<b>268</b>	<b>509</b>
Less: amounts classified as current liabilities	<b>(1,991)</b>	<b>(2,722)</b>	<b>(268)</b>	<b>(509)</b>
Amounts classified as non-current liabilities	<b>79</b>	<b>–</b>	<b>–</b>	<b>–</b>

Included in current and non-current other payables and accruals are hire purchase payables relating to finance lease of motor vehicles (Note 14) which amounted to S\$90,000 (2024: Nil).

**24. Right-of-use assets and lease liabilities**

**Group and Company as a lessee**

The Group and Company has lease contracts for office properties. The leases of office properties generally have lease terms between 1 and 3 years. The Group's and Company's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Group is restricted from assigning and subleasing the leased assets.

The Group and Company also has a lease of office property with a lease term of less than 12 months. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for this lease.

The carrying amounts of right-of-use asset and lease liabilities recognised and the movements during the year are as follows:

	<b>Group</b>	
	<b>Right-of-use assets S\$'000</b>	<b>Lease liabilities S\$'000</b>
As at 1 January 2024	390	432
Addition	107	107
Amortisation	(251)	–
Interest expense (Note 8)	–	18
Payments	–	(285)
	<b>246</b>	<b>272</b>
As at 31 December 2024 and 1 January 2025	<b>462</b>	<b>462</b>
Addition	(259)	–
Amortisation	–	17
Interest expense (Note 8)	–	(288)
Payments	–	–
	<b>449</b>	<b>463</b>
As at 31 December 2025	<b>449</b>	<b>463</b>

**ZACD Group Ltd. and its Subsidiaries**

**Notes to the Financial Statements  
For the year ended 31 December 2025**

**24. Right-of-use assets and lease liabilities (continued)**

	<b>Company</b>	
	Right-of-use assets S\$'000	Lease liabilities S\$'000
As at 1 January 2024	361	405
Addition	16	16
Amortisation	(210)	–
Interest expense	–	17
Payments	–	(241)
	<b>167</b>	<b>197</b>
As at 31 December 2024 and 1 January 2025	<b>462</b>	<b>462</b>
Addition	(213)	–
Amortisation	–	14
Interest expense	–	(240)
Payments	–	–
	<b>416</b>	<b>433</b>
As at 31 December 2025	<b>416</b>	<b>433</b>

The Group recognised rental expense from short-term leases of S\$88,000 for the year ended 31 December 2025 (2024: S\$88,000).

	<b>Group</b>		<b>Company</b>	
	<b>2025</b> \$'000	2024 \$'000	<b>2025</b> \$'000	2024 \$'000
<b>Lease liabilities</b>				
- current	<b>265</b>	262	<b>235</b>	187
- non-current	<b>198</b>	10	<b>198</b>	10
	<b>463</b>	272	<b>433</b>	197

The movements of lease liabilities during the year are disclosed in Note 32 and the maturity analysis is disclosed in Note 39.

**25. Capitalised contract costs**

	<b>Group</b>	
	<b>2025</b> S\$'000	2024 S\$'000
Capitalised incremental costs of obtaining contracts – commission costs paid to agents		
At beginning of reporting year	<b>406</b>	337
Additions	<b>112</b>	182
Amortisation	(126)	(113)
	<b>392</b>	406
At end of reporting year	<b>392</b>	406

## ZACD Group Ltd. and its Subsidiaries

### Notes to the Financial Statements For the year ended 31 December 2025

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#### 26. Deferred tax liabilities

The movements in deferred tax liabilities during the current year are as follows:

	Group	
	2025 S\$'000	2024 S\$'000
At beginning of reporting year	87	57
Deferred tax (credited)/debited to the consolidated statement of profit or loss during the year (Note 11)	(3)	30
At end of reporting year	<b>84</b>	87

  

	Company	
	2025 S\$'000	2024 S\$'000
At beginning of reporting year	22	22
Deferred tax debited to the consolidated statement of profit or loss during the year	-	-
At end of reporting year	<b>22</b>	22

#### Components of deferred tax

Deferred tax liabilities net of deferred tax assets of the Group as at 31 December 2025 mainly comprise of temporary differences arising from accelerated tax depreciation, capitalised contract costs, unremitted interest income, other provisions and lease liabilities (2024: accelerated tax depreciation, capitalised contract costs, unremitted interest income, other provisions and lease liabilities).

#### Unrecognised tax losses

Certain subsidiaries of the Group has unutilised tax losses of S\$1,875,000 (2024: S\$1,291,000) as at 31 December 2025. The tax losses arising in Singapore, subject to the agreement by the Inland Revenue Authority of Singapore, are available for offsetting against future taxable profits of the companies in which the losses arose. Deferred tax assets have not been recognised in respect of these losses due to uncertainty of their recoverability.

There are no income tax consequences in relation to the payment of dividends by the Company to its shareholders.

## ZACD Group Ltd. and its Subsidiaries

### Notes to the Financial Statements For the year ended 31 December 2025

#### 27. Bank borrowing

	Group and Company	
	2025 \$'000	2024 \$'000
<b><u>Current</u></b>		
Interest payable on bank loan	-	1
Temporary bridging loan	-	589
	-	590
<b><u>Non-current</u></b>		
Temporary bridging loan	-	-
Total bank borrowing	-	590

Temporary bridging loan (“TBL”)

This related to a 5-year temporary bridging loan under Enterprise Financing Scheme (“EFS”) as announced at Solidarity Budget 2020. The EFS is enhanced to help SMEs with their working capital needs.

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 on September 2020. For the first 12 monthly instalments commencing one month from the date of first drawdown, 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. The TBL was fully repaid during the financial year.

#### 28. Loans and related payables

	Group	
	2025 S\$'000	2024 S\$'000
<b><u>Current</u></b>		
Advances/bridging loans funded by:		
ZACD (BBEC) Pte. Ltd.	1,100	-
ZACD (Mandai) Ltd.	400	-
ZACD (Shunfu) Ltd.	50	-
ZACD (Shunfu2) Ltd.	250	-
ARO II (Bay Road) Trust	2,383	-
Interest payables on loan to:		
ZACD (BBEC) Pte. Ltd.	47	-
ZACD (Mandai) Ltd.	17	-
ZACD (Shunfu) Ltd.	10	-
ZACD (Shunfu2) Ltd.	55	-
ARO II (Bay Road) Trust	165	-
	4,477	-

## ZACD Group Ltd. and its Subsidiaries

### Notes to the Financial Statements For the year ended 31 December 2025

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#### 28. Loans and related payables (continued)

	Company	
	2025	2024
	S\$'000	S\$'000
<b>Current</b>		
Advances/bridging loans funded by:		
ZACD (BBEC) Pte. Ltd.	1,100	—
ZACD (Mandai) Ltd.	400	—
Interest payables on loan to:		
ZACD (BBEC) Pte. Ltd.	47	—
ZACD (Mandai) Ltd.	17	—
	<b>1,564</b>	<b>—</b>

##### (a) Bridging facility and advances by ZACD (BBEC) Pte. Ltd.

On 16 April 2025, the Company entered into a S\$1,100,000 short term bridging facility agreement (the "Facility") with ZACD (BBEC) Pte. Ltd. (the "**Lender**"). The principal activity of the Lender is that of other holding companies. The Lender is an underlying Development SPV in connection with a 99-year leasehold residential development project located at Bukit Batok West Avenue 8, Singapore (the "**BBEC Development**"). 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. The fund will be managed by ZACD Capital Pte. Ltd.

The Lender has agreed to grant the Facility to the Company for purposes of facilitating the Borrower for operational and financial purposes. 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 Lender may, at its sole and absolute discretion, reject any drawdown request by the Company.

As at 31 December 2025, S\$1,100,000 (31 December 2024: S\$Nil) has been drawn down on the Facility by the Company which bears interest at 6% per annum.

##### (b) Bridging facility and advances by ZACD (Mandai) Ltd.

On 16 April 2025, the Company entered into a S\$400,000 short term bridging facility agreement (the "Facility") with ZACD (Mandai) Ltd. (the "**Lender**"). The Lender is a single-purpose closed-ended industrial private equity fund set up in connection with an industrial development project located 7 Mandai Estate, Singapore (the "**Mandai Development**"). 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. The fund will be managed by ZACD Capital Pte. Ltd.

The Lender has agreed to grant the Facility to the Company for purposes of facilitating the Borrower for operational and financial purposes. 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 Lender may, at its sole and absolute discretion, reject any drawdown request by the Company.

As at 31 December 2025, S\$400,000 (31 December 2024: S\$Nil) has been drawn down on the Facility by the Company which bears interest at 6% per annum.

**28. Loans and related payables (continued)**

**(c) Bridging facility and advances by ZACD (Shunfu) Ltd.**

On 1 January 2025, the Group entered into a short term bridging facility agreement (the "Facility") with ZACD (Shunfu) Ltd. (the "**Lender**"). As part of the arrangement, an amount of S\$94,000 previously classified as amounts due to related parties (non-trade) was novated and accounted for as a bridging loan payable. The Lender is a closed-end real estate private equity fund targeting the residential development located at 99-year leasehold government land sale plot at 314 – 319 Shunfu Road (collectively the "**Jadescape Project**"). The Company, acting as the sponsor of the ZACD (Shunfu) Ltd. (the "**Shunfu Fund**"), by way of indirectly holding the nominal share capital of the corporate entity of the Shunfu Fund. The fund will be managed by ZACD Capital Pte. Ltd. On 6 May 2025, the Group repaid S\$44,000 of the loan and related payables to the Fund.

The Lender has agreed to grant the Facility to the Group for purposes of facilitating the Borrower for operational and financial purposes. 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 Lender may, at its sole and absolute discretion, reject any drawdown request by the Group.

As at 31 December 2025, the outstanding amount under the Facility was S\$50,000 (31 December 2024: S\$Nil), bearing interest at 6% per annum.

**(d) Bridging facility and advances by ZACD (Shunfu2) Ltd.**

On 1 January 2025, the Group entered into a short term bridging facility agreement (the "Facility") with ZACD (Shunfu2) Ltd. (the "**Lender**"). As part of the arrangement, an amount of S\$706,000 previously classified as amounts due to related parties (non-trade) was novated and accounted for as a bridging loan payable. The Lender is a closed-end real estate private equity fund targeting the residential development located at 99-year leasehold government land sale plot at 314 – 319 Shunfu Road (collectively the "**Jadescape Project**"). The Company, acting as the sponsor of the ZACD (Shunfu2) Ltd. (the "**Shunfu2 Fund**"), by way of indirectly holding the nominal share capital of the corporate entity of the Shunfu2 Fund. The fund will be managed by ZACD Capital Pte. Ltd. On 6 May 2025 and 23 June 2025, the Group repaid S\$256,000 and S\$200,000 respectively of the loan and related payables to the Fund.

The Lender has agreed to grant the Facility to the Group for purposes of facilitating the Borrower for operational and financial purposes. 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 Lender may, at its sole and absolute discretion, reject any drawdown request by the Group.

As at 31 December 2025, the outstanding amount under the Facility was S\$250,000 (31 December 2024: S\$Nil), bearing interest at 6% per annum.

## ZACD Group Ltd. and its Subsidiaries

### Notes to the Financial Statements For the year ended 31 December 2025

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#### 28. Loans and related payables (continued)

##### (e) Bridging facility and advances by ARO II (Bay Road) Trust

On 1 January 2025, the Group entered into a short term bridging facility agreement (the "Facility") with ARO II (Bay Road) Trust (the "Lender"). As part of the arrangement, an amount of AUD3,100,000 previously classified as amounts due to related parties (non-trade) was novated and accounted for as a bridging loan payable. The Lender is an Australia-domiciled private trust constituted pursuant to a trust deed dated 30 May 2017 (the "Trust Deed"). ARO II (Bay Road) Trust Pty Ltd (the "Trustee") is responsible for the management of the Trust, its business and implementing its business strategy, as well as providing the Trust with specialised real estate investment fund management services.

The principal activity of the Trust is owning and investing, directly and indirectly, in real estate assets with a focus on income-producing properties and properties that could be redeveloped into income-producing properties. The Trust will be managed by ZACD Income Trust.

The Lender has agreed to grant the Facility to the Group for purposes of facilitating the Borrower for operational and financial purposes. 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 Lender may, at its sole and absolute discretion, reject any drawdown request by the Group.

As at 31 December 2025, the outstanding amount under the Facility was AUD3,100,000 (S\$2,383,000) (31 December 2024: AUD3,100,000; S\$2,621,000), bearing interest at 6% per annum.

#### 29. Financial derivative

	Group and Company	
	2025	2024
	S\$'000	S\$'000
Fair value of financial derivative	2,752	2,574

Reference is made to the announcement dated 28 December 2023 where the Company had granted a put option to an investor, Top Global Limited ("TGL") subscribing in ZACD LV Development Fund 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 2024; 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 ZACD Investments Pte. Ltd. and 2 shareholders of ZACD Investments Pte. Ltd. of their obligations and undertakings under the deed of undertaking between the Controlling Shareholders and TGL.

## ZACD Group Ltd. and its Subsidiaries

### Notes to the Financial Statements For the year ended 31 December 2025

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#### 29. Financial derivative (continued)

Following the grant of the put option by the Company, the fair value loss of S\$178,000 (2024: S\$945,000) was recognised as the premium price of the put option granted to TGL.

As at 31 December 2025, the valuation of financial derivative was performed internally with reference to the independent valuation report performed on 18 October 2023 by an independent qualified professional valuer. The fair value of the financial derivative has been determined using a Black Scholes Model with the following key assumptions:

	Group and Company	
	2025	2024
Stock price (S\$)	2,839	2,523
Exercise price (S\$)	6,000,000	6,000,000
Volatility on selling price of the project	18.55%	15.22%
Risk-free interest rate	1.35%	2.96%

On 30 March 2026, the Group entered into an agreement with a third party to assume the financing obligations associated with the financial derivative in the event it is exercised. This agreement enables the Group to mitigate potential future funding requirements and manage its overall financial risk exposure more effectively.

#### 30. Share capital

	Group	
	2025	2024
	S\$'000	S\$'000
Issued and paid up capital: 2,000,000,000 ordinary shares on 31 December 2025 (2024: 2,000,000,000 shares)	29,866	29,866

There was no movement in the Group's issued share capital during the period from 1 January 2024 to 31 December 2025.

#### 31. Reserves

The amounts of the Group's reserves and the movements therein during each of the reporting periods for the years ended 31 December 2024 and 2025 are presented in the consolidated statement of changes in equity.

##### **Capital reserve**

The capital reserve represents the waiver of an amount due to the ultimate holding company of the Company.

**ZACD Group Ltd. and its Subsidiaries**

**Notes to the Financial Statements  
For the year ended 31 December 2025**

**32. Notes to the consolidated statement of cash flows**

**Reconciliation of liabilities arising from financing activities**

The table below details changes in the Group's liabilities arising from financing activities. Liabilities arising from financing activities are those from which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows from financing activities.

	At beginning of reporting year S\$'000	Non-cash changes					At end of reporting year S\$'000
		Financing cash flows S\$'000	Initial recognition S\$'000	Interest expense S\$'000	Translation differences S\$'000	Others * S\$'000	
<b>Year ended 31 December 2025</b>							
Amount due to ultimate holding company	35	(35)	-	-	-	-	-
Amounts due to related parties (Note 19)	5,720	478	-	-	-	(3,421)	2,777
Bank borrowing (Note 27)	590	(597)**	-	7	-	-	-
Loans payable to related parties (Note 28)	-	1,014	-	294	(252)	3,421	4,477
Obligation arise from finance lease (Note 23)	-	(6)	94	2	-	-	90
Lease liabilities (Note 24)	272	(288)	462	17	-	-	463
<b>Year ended 31 December 2024</b>							
Amount due to ultimate holding company	-	35	-	-	-	-	35
Amounts due to related parties	2,092	3,628	-	-	-	-	5,720
Bank borrowing (Note 27)	1,359	(798)*	-	29	-	-	590
Obligation arise from finance lease (Note 23)	3	(3)	-	-	-	-	-
Lease liabilities (Note 24)	432	(285)	107	18	-	-	272

**ZACD Group Ltd. and its Subsidiaries**

**Notes to the Financial Statements  
For the year ended 31 December 2025**

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\* During the year, the amounts previously classified as amounts due to related parties (non-trade), owing to ZACD (Shunfu) Ltd., ZACD (Shunfu2) Ltd. and ARO II (Bay Road) Trust (Note 19), were novated and accounted for as bridging loan payables (Note 28).

\*\* Includes interest paid of S\$7,000 (2024: S\$29,000).

## ZACD Group Ltd. and its Subsidiaries

### Notes to the Financial Statements For the year ended 31 December 2025

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#### 33. Related party transactions

Name of related companies	Relationship with the Company or the Group
<b>Investment SPVs:</b>	
ZACD (CCK) Pte. Ltd. ("CCK")	CCK is a 22.0%-owned associate of the ultimate holding company and was struck off on 26 December 2025.
ZACD (Jurong) Pte. Ltd. ("Jurong")	Jurong is a 30.0% owned associate of the ultimate holding company and was struck off on 3 January 2026.
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 (Punggol Central) Pte. Ltd. ("Punggol Central")	Punggol Central is 17.3% owned by the Group and was struck off on 25 October 2025.
ZACD (Tuas Bay) Pte. Ltd. ("Tuas Bay")	Tuas Bay is a wholly-owned subsidiary of the ultimate holding company.
ZACD (Woodlands12) Pte. Ltd. ("Woodlands12")	Woodlands12 is 19.6% owned associate of the ultimate holding company.
ZACD (Woodlands2) Pte. Ltd. ("Woodlands2")	Woodlands2 is a 31.8%-owned associate of the ultimate holding company and was struck off on 25 October 2025.

## ZACD Group Ltd. and its Subsidiaries

### Notes to the Financial Statements For the year ended 31 December 2025

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#### 33. Related party transactions (continued)

Name of related companies	Relationship with the Company or the Group
<b>Private funds managed by the Group:</b>	
ZACD (BBW6) Ltd. ("BBW6")	BBW6 is managed by the Group and the Controlling Shareholders are key management personnel of BBW6 and application for strike-off was submitted to ACRA on 26 January 2026.
ZACD (Shunfu) Ltd. ("Shunfu")	Shunfu is managed by the Group and one of the Controlling Shareholders is a key management personnel of Shunfu.
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 two of the key management personnel of the Group are key management personnel of Development2.
ZACD (Development4) Ltd. ("Development4")	Development4 is managed by the Group and two of the key management personnel of the Group are key management personnel of Development4.
ZACD (Mandai) Ltd. ("Mandai")	Mandai is managed by the Group and two of the key management personnel of the Group are key management personnel of Mandai.
ZACD (MSPIF) Pte. Ltd. ("MSPIF")	MSPIF is managed by the Group and two of the key management personnel of the Group are key management personnel of MSPIF.
ZACD (Tribe) Pte. Ltd. ("Tribe")	Tribe is managed by the Group and two of the key management personnel of the Group are key management personnel of Tribe.
ZACD (BBEC) Pte. Ltd. (f.k.a Bridge Trust Pte. Ltd.)("BBEC")	BBEC is managed by the Group and two of the key management personnel of the Group are key management personnel of ZACD BBEC.
ZACD Laserblue Pte. Ltd. ("Laserblue")	Laserblue is managed by the Group and two of the key management personnel of the Group are key management personnel of Laserblue.

## ZACD Group Ltd. and its Subsidiaries

### Notes to the Financial Statements For the year ended 31 December 2025

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#### 33. Related party transactions (continued)

Name of related companies	Relationship with the Company or the Group
ZACD Capital Partners VCC (" <b>ZACD VCC</b> ")	ZACD VCC is an umbrella Singapore variable capital company, is managed by the Group and two of the key management personnel of the Group are key management personnel of ZACD VCC.
ZACD Mount Emily Residential Development Fund (" <b>ZACD Mount Emily</b> ")	ZACD Mount Emily is a registered sub-fund of ZACD VCC, is managed by the Group and two of the key management personnel of the Group are key management personnel of ZACD VCC.
ZACD Media Circle Fund (f.k.a ZACD Tampines Industrial Fund (" <b>ZACD Media Circle Fund</b> ")	ZACD Media Circle Fund is a registered sub-fund of ZACD VCC, is managed by the Group and two of the key management personnel of the Group are key management personnel of ZACD VCC.
ZACD LV Development Fund (" <b>ZACD LV Fund</b> ")	ZACD LV Fund is a registered sub-fund of ZACD VCC, is managed by the Group and two of the key management personnel of the Group are key management personnel of ZACD VCC.
ZF5	ZF5 is a registered sub-fund of ZACD VCC, is managed by the Group and two of the key management personnel of the Group are key management personnel of ZACD VCC.
ZACD Industrial Opportunities Fund (" <b>ZACD Industrial</b> ")	ZACD Industrial is a registered sub-fund of ZACD VCC, is managed by the Group and two of the key management personnel of the Group are key management personnel of ZACD VCC.
ZACD LV Holdings Pte. Ltd. (" <b>LV Holdings</b> ")	LV Holdings is a wholly-owned subsidiary of ZACD LV Fund.
ZACD Property Pte. Ltd. (" <b>ZACD Property</b> ")	ZACD Property is wholly-owned by ZACD Mount Emily and two of the key management personnel of the Group are key management personnel of ZACD Property.

## ZACD Group Ltd. and its Subsidiaries

### Notes to the Financial Statements For the year ended 31 December 2025

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#### 33. Related party transactions (continued)

Name of related companies	Relationship with the Company or the Group
<b>Development SPVs:</b>	
Landmark JV Pte. Ltd. ("Landmark JV")	Landmark JV is 39.2% owned by Development2 and two of the key management personnel of the Group are key management personnel of Landmark JV.
Mandai 7 JV Pte. Ltd. ("Mandai 7 JV")	Mandai 7 JV is 60.0% owned by Mandai.
Zelitist Pte. Ltd. ("Zelitist")	Zelitist is a 56.0% owned by Development2.
ZACD LV Development Pte. Ltd. ("LV Dev")	LV Dev is 75.0% owned by LV Holdings.
<b>Common control of the Controlling Shareholders:</b>	
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.
Creo Adworld Pte. Ltd. ("Creo Adworld")	Creo Adworld is a wholly-owned subsidiary of Magnificent Vine Group.
Tampines 7 JV Pte. Ltd. ("Tampines")	Tampines is a wholly-owned subsidiary of Magnificent Vine Group.
ZACD CRF (Woodlands) Pte. Ltd. ("CRF")	CRF is a wholly-owned subsidiary of Magnificent Vine Group.

## ZACD Group Ltd. and its Subsidiaries

### Notes to the Financial Statements For the year ended 31 December 2025

#### 33. Related party transactions (continued)

Name of related companies	Relationship with the Company or the Group
<b>Common control of the Controlling Shareholders:</b>	
Providence Capital Pte. Ltd. (“Providence”)	Providence is a wholly-owned subsidiary of Magnificent Vine Group.
SLP International Property Consultants Pte. Ltd. (“SLP International”)	SLP International 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 Investment”)	SLP Investment is wholly-owned subsidiary of SLP International and one of the Controlling Shareholders is also the director of the Company.

- (a) In addition to the transactions and balances detailed elsewhere in this report, the Group had the following material transactions with related parties during the years ended 31 December 2024 and 2025:

	Notes	Group	
		2025 S\$'000	2024 S\$'000
Investment management — dividend income:	(i)		
ZACD (Woodlands) Pte. Ltd.		–	9
ZACD (AMK) Pte. Ltd.		–	7
ZACD (Canberra) Pte. Ltd.		–	1
ZACD (Woodlands12) Pte. Ltd.		187	456
ZACD (Woodlands3) Pte. Ltd.		–	13
ZACD (Anchorvale) Pte. Ltd.		–	1
ZACD (Punggol Central) Pte. Ltd.		47	–
ZACD (Woodlands2) Pte. Ltd.		12	–
ZACD (CCK) Pte. Ltd.		14	–
ZACD (Jurong) Pte Ltd		77	32
		<b>337</b>	<b>519</b>

## ZACD Group Ltd. and its Subsidiaries

### Notes to the Financial Statements For the year ended 31 December 2025

#### 33. Related party transactions (continued)

- (a) In addition to the transactions and balances detailed elsewhere in this report, the Group had the following material transactions with related parties during the years ended 31 December 2024 and 2025: (continued)

	Notes	Group	
		2025 S\$'000	2024 S\$'000
Investment management — fund management fees:	(ii)		
ZACD (BBW6) Ltd.		133	32
ZACD Income Trust		—	54
ZACD (Shunfu) Ltd.		47	572
ZACD (Shunfu2) Ltd.		67	877
ZACD (Development2) Ltd.		(194)	123
ZACD LV Development Fund		95	89
ZACD (BBEC) Pte Ltd		242	42
ZACD (Mandai) Ltd.		257	1,072
ZACD Mount Emily Residential Development Fund		—	47
ZACD Media Circle Fund		276	243
ZACD Laserblue Pte. Ltd.		591	288
		<b>1,514</b>	<b>3,439</b>

	Notes	Group	
		2025 S\$'000	2024 S\$'000
Acquisitions and projects management fees:	(iii)		
Mandai 7 JV Pte. Ltd.		—	183
Staff cost expenses:	(iv)		
ZACD International Pte. Ltd.	(a)	89	—
ZACD Australia Pty. Ltd.	(a)	38	—
		<b>127</b>	<b>—</b>
Office and transport expenses:	(v)		
ZACD Investments Pte. Ltd.	(1)	60	60

## ZACD Group Ltd. and its Subsidiaries

### Notes to the Financial Statements For the year ended 31 December 2025

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#### 33. Related party transactions (continued)

Notes:

- (i) The dividend income was derived from the establishment shares of the Investment SPVs when the Group's right to receive payment is established. In the opinion of the directors, the Group charged an investor a higher percentage of the establishment shares compared with other investors as the Group granted the investor a priority right to participate in real estate projects. Further details were set out in Note 15 to the financial statements.
- (ii) The fund management income included fund establishment fee, fund management fees and performance 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.
- (iii) 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.
- (iv) The staff cost expense was related to salaries remunerated to immediate family member of directors and was charged at terms mutually agreed between the relevant parties.
- (v) 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.

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 those related party transactions were conducted in the ordinary course of business of the Group.

- (a) 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.
- (b) Compensation of key management personnel of the Group, including directors' remuneration as disclosed in Note 9 to the financial statements, is as follows:

	<b>Group</b>	
	<b>2025</b>	<b>2024</b>
	<b>S\$'000</b>	<b>S\$'000</b>
Short term employee benefits	<b>1,346</b>	1,384
Post-employment benefits	<b>72</b>	62
Total compensation paid to key management personnel	<b>1,418</b>	1,446

## ZACD Group Ltd. and its Subsidiaries

### Notes to the Financial Statements For the year ended 31 December 2025

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#### 34. Commitments

##### Finance lease commitments – Group as lessee

The Group has entered into a finance lease for a motor vehicle and copiers (Note 14). Future minimum lease payments under the finance lease together with the present value of the net minimum lease payments are as follows:

	Group			
	2025	2025	2024	2024
	Minimum lease payments S\$'000	Present value of payments S\$'000	Minimum lease payments S\$'000	Present value of payments S\$'000
Within 1 year	16	11	–	–
After 1 year but not more than 5 years	92	79	–	–
Total minimum lease payments	108	90	–	–
Less: Amounts representing finance charges	(18)	–	–	–
Present value of minimum lease payments	90	90	–	–

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\$2,400,000.

At the end of each of the reporting year, the Group had no other significant commitments.

**35. Financial guarantees**

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.

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.

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. This guarantee was released and discharged on 6 October 2025, following the refinancing arrangement undertaken by the Development SPV. On 29 July 2025, the Company entered into a new deed to provide a corporate guarantee for all monies owing under the loan facilities amounting to S\$18,870,000.

**35. Financial guarantees (continued)**

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 2024 under the Previous Facility Agreement, the existing guarantee was released and discharged.

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

**36. Contingent liabilities**

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.

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 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 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 December 2025. As at 31 December 2025, cumulative legal fees incurred in relation to legal actions taken against the Defendants and iProsperity Group amounted to S\$2,672,000 (31 December 2024: S\$1,728,000) where S\$1,985,000 (31 December 2024: S\$1,504,000) had been borne by ZACD Australia Hospitality Fund, S\$687,000 (31 December 2024: S\$224,000) had been borne by Remarkable Reach International Limited.

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

**ZACD Group Ltd. and its Subsidiaries**

**Notes to the Financial Statements  
For the year ended 31 December 2025**

**37. Financial instruments by category**

The carrying amounts of each of the categories of financial instruments as at 31 December 2024 and 2025 are as follows:

**31 December 2025**

***Group — financial assets***

	<b>Fair value through other comprehensive income</b>	<b>Financial assets at amortised cost</b>	<b>Total</b>
	S\$'000	S\$'000	S\$'000
Investment in equity securities	51	–	51
Investment in fund entities	879	–	879
Trade receivables	–	3,287	3,287
Amount due from ultimate holding company	–	220	220
Financial assets included in prepayments, deposits and other receivables	–	610	610
Amounts due from related parties	–	1,752	1,752
Loans and related receivables	–	15,269	15,269
Cash and cash equivalents	–	3,940	3,940
	<b>930</b>	<b>25,078</b>	<b>26,008</b>

***Group — financial liabilities***

	<b>Fair value through profit or loss</b>	<b>Financial liabilities at amortised cost</b>	<b>Total</b>
	S\$'000	S\$'000	S\$'000
Financial derivative	2,752	–	2,752
Financial liabilities included in other payables and accruals	–	1,848	1,848
Lease liabilities	–	463	463
Loans and related payables	–	4,477	4,477
Amounts due to related parties	–	2,777	2,777
	<b>2,752</b>	<b>9,565</b>	<b>12,317</b>

ZACD Group Ltd. and its Subsidiaries

Notes to the Financial Statements  
For the year ended 31 December 2025

37. Financial instruments by category (continued)

31 December 2025 (continued)

*Company — financial assets*

	Fair value through other comprehensive income S\$'000	Financial assets at amortised cost S\$'000	Total S\$'000
Investment in fund entities	853	–	853
Trade receivables	–	50	50
Financial assets included in prepayments, deposits and other receivables	–	301	301
Amounts due from related parties	–	381	381
Amounts due from subsidiaries	–	2,479	2,479
Loans and related receivables	–	11,053	11,053
Cash and cash equivalents	–	674	674
	<b>853</b>	<b>14,938</b>	<b>15,791</b>

*Company — financial liabilities*

	Fair value through profit or loss S\$'000	Financial liabilities at amortised cost S\$'000	Total S\$'000
Financial derivative	2,752	–	2,752
Financial liabilities included in other payables and accruals	–	268	268
Lease liabilities	–	433	433
Loans and related payables	–	1,564	1,564
Amounts due to related parties	–	533	533
Amounts due to subsidiaries	–	4,242	4,242
Amount due to ultimate holding company	–	16	16
	<b>2,752</b>	<b>7,056</b>	<b>9,808</b>

ZACD Group Ltd. and its Subsidiaries

Notes to the Financial Statements  
For the year ended 31 December 2025

37. Financial instruments by category (continued)

31 December 2024

*Group — financial assets*

	Fair value through other comprehensive income S\$'000	Financial assets at amortised cost S\$'000	Total S\$'000
Investment in equity securities	203	—	203
Investment in fund entities	1,328	—	1,328
Trade receivables	—	4,748	4,748
Financial assets included in prepayments, deposits and other receivables	—	487	487
Amounts due from related parties	—	469	469
Loans and related receivables	—	19,422	19,422
Cash and cash equivalents	—	5,314	5,314
	1,531	30,440	31,971

*Group — financial liabilities*

	Fair value through profit or loss S\$'000	Financial liabilities at amortised cost S\$'000	Total S\$'000
Financial derivative	2,574	—	2,574
Financial liabilities included in other payables and accruals	—	2,431	2,431
Lease liabilities	—	272	272
Amount due to ultimate holding company	—	35	35
Amounts due to related parties	—	5,720	5,720
Bank borrowing	—	590	590
	2,574	9,048	11,622

ZACD Group Ltd. and its Subsidiaries

Notes to the Financial Statements  
For the year ended 31 December 2025

37. Financial instruments by category (continued)

31 December 2024 (continued)

*Company — financial assets*

	Fair value through other comprehensive income S\$'000	Financial assets at amortised cost S\$'000	Total S\$'000
Investment in fund entities	1,269	–	1,269
Trade receivables	–	38	38
Financial assets included in prepayments, deposits and other receivables	–	324	324
Amounts due from related parties	–	306	306
Amounts due from subsidiaries	–	1,976	1,976
Loans and related receivables	–	13,479	13,479
Cash and cash equivalents	–	895	895
	1,269	17,018	18,287

*Company — financial liabilities*

	Fair value through profit or loss S\$'000	Financial liabilities at amortised cost S\$'000	Total S\$'000
Financial derivative	2,574	–	2,574
Financial liabilities included in other payables and accruals	–	509	509
Lease liabilities	–	197	197
Amounts due to related parties	–	9	9
Amounts due to subsidiaries	–	4,356	4,356
Amount due to ultimate holding company	–	63	63
Bank borrowing	–	590	590
	2,574	5,724	8,298

**38. 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, balances with the ultimate holding company, related parties and subsidiaries, cash and cash equivalents, the current portion of financial assets included in prepayments, deposits and other receivables, the current portion of financial liabilities included in other payables and accruals, and balances with related parties and subsidiaries, included in the Company's statement of financial position, approximate to 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 and bank borrowing approximate fair values as the interest rate approximate market interest rate.

The fair values of the 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.

***Fair value of financial instruments that are carried at fair value***

The fair values of the 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 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 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.

## ZACD Group Ltd. and its Subsidiaries

### Notes to the Financial Statements For the year ended 31 December 2025

#### 38. Fair value and fair value hierarchy of financial instruments (continued)

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 31 December 2024 and 2025:

31 December 2025	Valuation technique	Significant unobservable input	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): 78%	Decrease in uncertainty discount by 10 percentage points would not result in changes in fair value.
			Increase in uncertainty discount 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): 54%	Decrease in uncertainty discount by 6 percentage points would not result in changes in fair value.
			Increase in uncertainty discount by 11 percentage points would not result in changes in fair value.
Financial derivative	Black Scholes model	Volatility on the selling price of the project (Note B): 18.55%	Decrease in selling price volatility by 10 percentage points would result in decrease in fair value by S\$395,000.
			Increase in selling price volatility by 10 percentage points would result in increase in fair value by S\$259,000.

ZACD Group Ltd. and its Subsidiaries

Notes to the Financial Statements  
For the year ended 31 December 2025

38. Fair value and fair value hierarchy of financial instruments (continued)

31 December 2024	Valuation technique	Significant unobservable input	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): 78%	Decrease in uncertainty discount by 10 percentage points would not result in changes in fair value.
			Increase in uncertainty discount 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): 54%	Decrease in uncertainty discount by 6 percentage points would result in increase in fair value by S\$1,000.
			Increase in uncertainty discount by 10 percentage points would result in decrease in fair value by S\$30,000.
Financial derivative	Black Scholes model	Volatility on the selling price of the project (Note B): 15.22%	Decrease in selling price volatility by 10 percentage points would result in decrease in fair value by S\$624,000.
			Increase in selling price volatility by 10 percentage points would result in increase in fair value by S\$345,000.

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 or funds 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.

ZACD Group Ltd. and its Subsidiaries

Notes to the Financial Statements  
For the year ended 31 December 2025

38. Fair value and fair value hierarchy of financial instruments (continued)

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.

**Fair value hierarchy**

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

**Assets measured at fair value:**

**Group**

	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	
<b>31 December 2025</b>				
Investment in equity securities	–	–	51	51
Investment in fund entities	–	–	879	879

**Company**

	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	
<b>31 December 2025</b>				
Investment in fund entities	–	–	853	853

**Group**

	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	
<b>31 December 2024</b>				
Investment in equity securities	–	–	203	203
Investment in fund entities	–	–	1,328	1,328

ZACD Group Ltd. and its Subsidiaries

Notes to the Financial Statements  
For the year ended 31 December 2025

38. Fair value and fair value hierarchy of financial instruments (continued)

Fair value hierarchy (continued)

Assets measured at fair value: (continued)

Company

	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	
	<b>31 December 2024</b>			
Investment in fund entities	–	–	1,269	1,269

The movements in fair value measurements within Level 3 during the years ended 31 December 2024 and 2025 are as follows:

	Group		Company	
	2025 S\$'000	2024 S\$'000	2025 S\$'000	2024 S\$'000
Investment in equity securities — unlisted:				
At beginning of reporting year	203	570	–	–
Total losses recognised in other comprehensive income	(152)	(367)	–	–
	51	203	–	–
Investment in fund entities – unlisted:				
At beginning of reporting year	1,328	1,832	1,269	1,780
Total loss recognised in other comprehensive income	(449)	(504)	(416)	(511)
	879	1,328	853	1,269
At end of reporting year	930	1,531	853	1,269

ZACD Group Ltd. and its Subsidiaries

Notes to the Financial Statements  
For the year ended 31 December 2025

38. Fair value and fair value hierarchy of financial instruments (continued)

*Liabilities measured at fair value:*

**Group and Company**

	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	
<b>31 December 2025</b>				
Financial derivative	–	–	2,752	2,752

**Group and Company**

	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	
<b>31 December 2024</b>				
Financial derivative	–	–	2,574	2,574

During the reporting years, 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.

**39. Financial risk management objectives and policies**

The Group's principal financial instruments comprise cash and cash equivalents. The main purpose of these financial instruments is to finance the Group's operations. The Group has various other financial assets and liabilities such as investment in equity securities, investment in fund entities, trade receivables, financial assets included in prepayments, deposits and other receivables, balances with the ultimate holding company and related parties, and financial liabilities included in other payables and accruals, which mainly arise directly from its operations.

The main risks arising from the Group's financial instruments are credit risk, liquidity risk and foreign currency risk. The board of directors reviews and agrees policies for managing each of these risks and they are summarised below.

***Credit risk***

Receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant.

The credit risk of the Group's financial assets, which comprise trade receivables, deposits and other receivables, amounts due from the ultimate holding company and related parties, a financial asset at fair value through profit or loss, and cash and cash equivalents, arises from default of the counterparty, with a maximum exposure equal to the carrying amounts of these instruments.

At the end of each reporting year, the Group had certain concentrations of credit risk with respect to trade receivables as follows:

	<b>2025</b>	2024
Due from the largest debtor	<b>32%</b>	25%
Due from the five largest debtors	<b>78%</b>	71%

Further quantitative data in respect of the Group's exposure to credit risk arising from trade receivables are disclosed in Note 17 to the financial statements.

**39. Financial risk management objectives and policies (continued)**

***Credit risk (continued)***

*Trade receivables*

The Group provides for lifetime expected credit losses for all trade receivables based on simplified approach. The provision rates are determined based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. The ECL allowance in respect of these balances are disclosed in Note 17.

*Amounts due from subsidiaries at amortised cost*

The Company computes ECL for non-trade amounts due from subsidiaries using the probability of default approach. In determining this ECL, the Company considers event such as significant adverse changes in financial conditions and changes in the operating results of the subsidiaries and determined that significant increase in credit risk occurs when there are changes in the risk that the specific subsidiary will default on the payment. The ECL allowance in respect of these balances are disclosed in Note 18.

*Loans and related receivables*

The Group manages its credit risk of its loans and related receivables based the profitability of the underlying investments on an ongoing basis. Based on the current market condition, the Group have assessed that there is a significant increase in credit risk since the initial recognition and have applied a lifetime expected loss provision for the impairment of these loans and related receivables The ECL allowance in respect of these balances are disclosed in Note 21

Exposure to credit risk

At the end of the reporting period, the Group's and the Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the balance sheets.

**ZACD Group Ltd. and its Subsidiaries**

**Notes to the Financial Statements  
For the year ended 31 December 2025**

**39. Financial risk management objectives and policies (continued)**

**Liquidity risk**

In order to manage liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The Group regularly reviews its major funding positions to ensure that it has adequate financial resources in meeting its financial obligations.

The maturity profile of the Group's and the Company's financial liabilities as at the end of each reporting year, based on contractual undiscounted payments, was as follows:

**Group**

	<b>On demand/no fixed terms of repayment S\$'000</b>	<b>Less than 1 year S\$'000</b>	<b>One to five years S\$'000</b>	<b>Total S\$'000</b>
<b>31 December 2025</b>				
Financial derivative	–	–	2,752	2,752
Financial liabilities included in other payables and accruals	–	1,848	–	1,848
Lease liabilities	–	286	198	484
Loans and related payables	4,477	–	–	4,477
Amounts due to related parties	2,777	–	–	2,777
	<b>7,254</b>	<b>2,134</b>	<b>2,950</b>	<b>12,338</b>

**Company**

	<b>On demand/no fixed terms of repayment S\$'000</b>	<b>Less than 1 year S\$'000</b>	<b>One to five years S\$'000</b>	<b>Total S\$'000</b>
<b>31 December 2025</b>				
Financial derivative	–	–	2,752	2,752
Financial liabilities included in other payables and accruals	–	268	–	268
Lease liabilities	–	256	198	454
Loans and related payables	1,564	–	–	1,564
Amounts due to subsidiaries	4,242	–	–	4,242
Amount due to ultimate holding company	16	–	–	16
Amounts due to related parties	533	–	–	533
	<b>6,355</b>	<b>524</b>	<b>2,950</b>	<b>9,829</b>

ZACD Group Ltd. and its Subsidiaries

Notes to the Financial Statements  
For the year ended 31 December 2025

39. Financial risk management objectives and policies (continued)

Liquidity risk (continued)

*Group*

	On demand/no fixed terms of repayment S\$'000	Less than 1 year S\$'000	One to five years S\$'000	Total S\$'000
<b>31 December 2024</b>				
Financial derivative	–	–	2,574	2,574
Financial liabilities included in other payables and accruals	–	2,431	–	2,431
Lease liabilities	–	269	12	281
Amounts due to related parties	5,720	–	–	5,720
Amount due to ultimate holding company	35	–	–	35
Bank borrowing	–	598	–	598
	5,755	3,298	2,586	11,639

*Company*

	On demand/no fixed terms of repayment S\$'000	Less than 1 year S\$'000	One to five years S\$'000	Total S\$'000
<b>31 December 2024</b>				
Financial derivative	–	–	2,574	2,574
Financial liabilities included in other payables and accruals	–	509	–	509
Lease liabilities	–	191	11	202
Amounts due to subsidiaries	4,356	–	–	4,356
Amount due to ultimate holding company	63	–	–	63
Amounts due to related parties	9	–	–	9
Bank borrowing	–	598	–	598
	4,428	1,298	2,585	8,311

## ZACD Group Ltd. and its Subsidiaries

### Notes to the Financial Statements For the year ended 31 December 2025

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#### 39. Financial risk management objectives and policies (continued)

##### Foreign currency risk

The Group and the Company hold cash and short-term deposits denominated in foreign currencies for working capital purposes. At the end of the reporting year, such foreign currency balances are mainly in HKD and AUD.

##### *Sensitivity analysis for foreign currency risk*

The following table demonstrates the sensitivity of the Group's loss before tax to a reasonably possible change in the HKD and AUD exchange rates against the respective functional currencies of the Group entities, with all other variables held constant.

	Group		Company	
	2025 S\$'000	2024 S\$'000	2025 S\$'000	2024 S\$'000
<u>Increase/ (decrease)</u>	Loss before tax	Loss before tax	Loss before tax	Loss before tax
SGD/HKD - Strengthened: 4% (2024: 4%)	3	1	-	-
- Weakened: 4% (2024: 4%)	(3)	(1)	-	-
SGD/AUD - Strengthened: 4% (2024: 4%)	5	12	2	11
- Weakened: 4% (2024: 4%)	(5)	(12)	(2)	(11)

##### **Capital management**

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

Certain subsidiaries of the Group are regulated by the Monetary Authority of Singapore (the "MAS") or the Hong Kong Securities and Futures Commission (the "SFC") and are required to comply with certain minimum capital requirements according to the rules of the MAS or the SFC. The Group has established a legal and compliance department which is operated by experienced compliance officers and is monitored by management. The principal roles of the legal and compliance department are to monitor the daily financial status and to review internal control of the Group regularly to ensure the regulated subsidiaries are in compliance with related regulations. The regulated subsidiaries have complied with the related regulations throughout the year or since the date when the licences were granted.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may return capital to the shareholder or issue new shares. No changes were made in the objectives, policies or processes for managing capital during the year.

Capital of the Group comprises all components of shareholder's equity.

#### 40. Authorisation of financial statements for issue

The financial statements for the financial year ended 31 December 2025 were authorised for issue in accordance with a resolution of the Board of Directors of the Company on 31 March 2026.

**ZACD Group Ltd. and its Subsidiaries**

**Notes to the Financial Statements  
For the year ended 31 December 2025**

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## Management Discussion and Analysis

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### 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 year ended 31 December 2025, and includes information up to the date of the audit report (the “**Report Date**”). The MD&A should be read in conjunction with the Group’s financial statements, as well as with the related notes to the financial statements for the year ended 31 December 2025. 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) Liquidity and Capital Resources; and
- (4) Business Outlook

#### 1. EXECUTIVE OVERVIEW

The Group managed a total of 19 investment structures under the PE structures and fund structures over 16 real estate projects and assets in Singapore, Malaysia, Indonesia and Australia. The Group is currently providing corporate support and fund administration services to a family office with an asset-under-management of approximately USD100 million.

#### 2. FINANCIAL REVIEW AND BUSINESS REVIEW

The Group reported a net loss of approximately S\$5.57 million in FY2025, compared to a net loss of S\$1.20 million in FY2024, representing a significant widening of losses during the year. This performance was largely driven by a decline in revenue of approximately S\$2.27 million (45.7% YoY), from S\$4.97 million to S\$2.70 million, reflecting softer activity levels across both the Fund Management and Acquisition and Project Management segments. The reduction in revenue was primarily due to lower performance fees, reduced project management fees from several real estate funds, as well as lower fund establishment fees and dividend income from SPV investments. This was partially cushioned by the recognition of a one-off successful tender fee during the year.

In response to the softer operating environment, the Group undertook targeted cost rationalisation measures to align its cost base with current activity levels. As a result, staff costs decreased by approximately S\$0.78 million (20.8%), supported by director’s resignations, decrease in headcount from 33 to 27 and the suspension of bonus payouts, alongside continued cost discipline across operations. However, these savings were offset by impairment losses of approximately S\$4.17 million. The impairments primarily relate to bridging advances extended to ZACD Mount Emily Residential Development Fund of approximately S\$3.13 million and ZACD LV Development Fund of approximately S\$0.89 million, as well as receivables from funds and related parties, and were recognised in line with the underlying performance of certain investments, particularly where foreseeable losses have been identified in the underlying real estate projects.

In addition, other income and gains declined by approximately S\$0.56 million, mainly due to the waiver of interest income on bridging loans to underperforming funds. This was partially mitigated by a smaller fair value loss on financial derivatives compared to the prior year, a decrease in fair value loss by S\$0.77 million year on year. The Group also recognised corporate income tax savings of approximately S\$1.08 million, following the recovery of tax losses previously transferred to a fund.

Overall, the Group recorded a basic and diluted loss per share of approximately 0.28 Singapore cents in FY2025, compared to a profit per share of 0.06 Singapore cents in FY2024, reflecting the combined impact of lower revenue, impairment charges, and disciplined cost management during the year.

The following table presents the breakdown of our operating segment information for the years ended 31 December 2025 and 2024:

Year ended	<u>Investment management</u>			Acquisitions and projects management	Property management and tenancy management	Financial advisory	Total
	SPV investment management	Fund management					
31 December 2025	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>Segment revenue</b>							
External customers	<b>394</b>	<b>2,183</b>	<b>83</b>	<b>37</b>	<b>–</b>	<b>2,697</b>	
<b>Segment results</b>	<b>(880)</b>	<b>269</b>	<b>(395)</b>	<b>6</b>	<b>(53)</b>	<b>(1,053)</b>	
<i>Reconciliation:</i>							
Other income and gains							<b>515</b>
Fair value loss on financial derivative							<b>(178)</b>
Corporate and unallocated expenses							<b>(5,940)</b>
Loss before tax							<b>(6,656)</b>

Year ended 31 December 2024	Investment management		Acquisitions and projects management S\$'000	Property management and tenancy management S\$'000	Financial advisory S\$'000	Total S\$'000
	SPV investment management S\$'000	Fund management S\$'000				
Segment revenue						
External customers	541	4,017	371	35	–	4,964
Segment results	(54)	2,845	(289)	10	(55)	2,457
<i>Reconciliation:</i>						
Other income and gains						1,079
Fair value loss on financial derivative						(945)
Corporate and unallocated expenses						(3,680)
Loss before tax						(1,089)

**(a) Investment Management Services**

*i) SPV investment management*

Revenue from SPV investment management decreased from approximately S\$0.54 million in FY2024 to S\$0.39 million in FY2025 (down 27.7%), mainly due to lower dividend income from establishment shares. This reflects the natural maturity of investment projects set up between 2010 and 2015, with no new SPVs established since 2016 as the Group continues to pivot towards fund-based structures in line with its evolving business model.

*ii) Fund management*

Revenue from fund management declined from approximately S\$4.02 million to S\$2.18 million (a decrease of 45.8%), primarily due to lower performance fees following the completion of several funds in the prior year, where returns exceeded benchmark thresholds. Performance fees are typically recognised towards the end of a fund's lifecycle; as such, ongoing projects in the current year have not yet reached the stage where such fees are earned. The decline was further attributable to reduced project management fees from certain real estate funds and lower fund establishment fees, partially offset by a one-off successful tender fee recognised during the year.

There was no significant change in the number of fund structures or assets under management between FY2024 and FY2025.

**(b) Acquisitions and Projects Management Services**

Revenue decreased from S\$0.37 million in 2024 to S\$0.08 million in 2025, representing a decrease of S\$0.29 million or 77.6%. The decrease was mainly attributable to the absence of project management fee of S\$0.18 million derived from the developer SPV of Mandai Fund that jointly established with an external business partner earned in 2024.

**(c) Property Management and Tenancy Management Services**

Revenue from property management and tenancy management services remained stable at approximately S\$0.04 million. Following the Group's strategic shift towards government and international projects, no new contracts have been secured to date as management continues to evaluate the direction of this segment.

*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.

Other notable items are further elaborated as follows:

**Other income and gains**

Other income and gains decreased from approximately S\$1.08 million in FY2024 to S\$0.52 million in FY2025 (down 52.3%), mainly due to the waiver of interest income on bridging loans to underperforming funds, lower income from ad-hoc corporate services, and the absence of prior year accrual reversals. This was partially offset by net foreign exchange gains recognised during the year.

**Staff costs**

Total staff costs decreased from approximately S\$3.75 million to S\$2.97 million (down 20.8%), driven by a director's resignation and the suspension of bonus payouts as part of cost control measures. This was achieved alongside a reduction in headcount from 33 to 27 employees.

Staff costs accounted for 54% of total expenses in FY2025 (FY2024: 61%), reflecting improved cost discipline.

### **Impairment losses on financial assets**

The Group recognised impairment losses on financial assets of approximately S\$4.18 million in FY2025 (FY2024: S\$Nil), primarily relating to bridging advances to funds and amounts due from related parties. Management will continue to assess the adequacy of expected credit loss allowances and provide for irrecoverable amounts where necessary.

In assessing the expected credit losses, management considered, among other things, the financial position of the counterparties, the progress, budget and expected profitability of the underlying real estate development projects, prevailing market conditions and other forward-looking factors. Management will continue to monitor the recoverability of these balances and adjust the expected credit loss allowances as appropriate.

### **Other expenses, net**

Other expenses, net decreased by approximately S\$0.18 million or 12.8% from approximately S\$1.41 million in 2024 to approximately S\$1.23 million in 2025. The decrease was mainly due to absence of professional fees incurred in relation to corporate secretarial services of approximately S\$0.05 million in 2024 as well as travel and entertainment expenses incurred for business purpose of approximately S\$0.09 million.

### **Interest expenses**

Interest expenses increased from approximately S\$0.58 million in 2024 to approximately S\$0.86 million in 2025, representing an increase of approximately S\$0.28 million or 48.6%. This increase was mainly due to interest expenses of approximately S\$0.31 million charged on bridging advances extended by the fund structures to the Group for operational use.

### **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 recognition of fair value loss for premium price of the put option gradually decreased from approximately S\$0.95 million in 2024 to fair value loss of approximately S\$0.18 million in 2025, representing an decrease of approximately S\$0.77 million or 81.1%.

### **Income tax credit**

The Group also recognised corporate income tax savings of approximately S\$1.08 million, following the recovery of tax losses previously transferred to a fund.

## **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.

Trade receivables that were past due but not impaired relate to a number of customers that have sizable business operation, long business relationship and/or good track record with the Group. The management of the Group regularly reviews the recoverable amount of trade receivables by performing ongoing credit assessments, monitoring prompt recovery and laid down recovery procedures which include evaluating the risk level on a case-by-case basis having taken into account the relationship with respective customers, payment history, financial position and general economic environment; and designing appropriate follow-up actions, for example, making phone calls, issuing demand letters and initiating legal proceedings or actions. Management will then assess and make adequate impairment losses for irrecoverable amounts if necessary.

### **Bank borrowing**

As at 31 December 2025, the Group had bank borrowing amounted to approximately S\$Nil million (31 December 2024: S\$0.59 million). The bank borrowing is a 5-year temporary bridging loan commencing from September 2020 under Enterprise Financing Scheme (“EFS”) as announced at Solidarity Budget 2020 by the Singapore government. The EFS is enhanced to help SMEs with their working capital needs. The Group has fully settled the bank borrowing in 2025.

### **Cash and cash equivalents**

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

The decrease in cash and cash equivalents of S\$1.37 million during the year was primarily attributable to advances extended to various fund entities under the Group’s management, including ZACD Mount Emily Residential Development Fund, ZACD LV Development Fund and ZACD Capital Partners VCC, as well as other investment-related activities.

These outflows were partially offset by repayments from fund entities, the release of fixed deposits previously pledged as collateral following project refinancing, and repayments of initial set-up loans from newly established fund entities, resulting in a net cash outflow of approximately S\$0.62 million.

This was partially offset by net inflows from financing activities, mainly arising from bridging advances provided by fund entities to the Group, alongside repayments of bank borrowings and lease liabilities, which collectively contributed S\$0.57 million. The remaining net cash outflows of S\$1.36 million were attributable to operating activities of the Group.

The cash balances are denominated in Singapore Dollar, Hong Kong Dollar and Australian Dollar. By becoming a global company with international operations, the Group is exposed to foreign currency exchange rate risks. The Group mitigates this risk by implementing working capital management.

### **Investment in equity securities**

The establishment shares were accounted for as investment in equity securities and were measured at fair value. The investment in equity securities amounted to approximately S\$0.05 million and S\$0.20 million as at 31 December 2025 and 31 December 2024 respectively. The fair value was determined based on future dividend distributions expected to be received by the Group based on the Investment SPV's projected distributable profits, the current stage of the real estate development project and its sale progress, as well as the discount rate. The decrease in fair value in 2025 compared to 2024 was mainly due to the realisation of the fair value as the Group recorded dividend payouts from the Investment SPVs during the year.

### **Investment in fund entities**

The fund subscriptions by the Group were accounted for as investment in fund entities and were measured at fair value. The investment in fund entities amounted to approximately S\$0.88 million and S\$1.33 million as at 31 December 2025 and 31 December 2024 respectively. The fair value was determined based on future dividend distributions expected to be received by the Group based on the funds' projected distributable profits, the current stage of the real estate development project in which the fund invested in and its sale progress, and the discount rate.

### **Trade receivables**

Total trade receivables amounted to approximately S\$3.29 million and S\$4.75 million as at 31 December 2025 and 2024 respectively.

The decrease in trade receivables of S\$1.46 million was mainly attributable to the collection of project management fees from SPVs, fund establishment fees, and one-off success fees from the Group's investment vehicles. An impairment loss of S\$0.29 million was recognised on trade receivables, primarily relating to amounts due from ZACD Mount Emily Residential Development Fund.

### **Net current assets**

The net current assets of the Group decreased from approximately S\$21.01 million as at 31 December 2024 to approximately S\$15.65 million as at 31 December 2025.

The decrease was mainly attributable to a net reduction in cash and cash equivalents of S\$1.37 million, as well as total impairment losses of S\$4.17 million, primarily relating to advances and receivables from ZACD Mount Emily Residential Development Fund.

The Group's current ratio (defined as current assets divided by current liabilities) decreased from 3.11 times as at 31 December 2024 to 2.58 times as at 31 December 2025.

### **Current liabilities**

Current liabilities comprised of other payables and accruals, lease liabilities, bank borrowing, income tax payable, amount due to related parties and loans payable to related parties. The Group's total current liabilities as at 31 December 2025 and 2024 amounted to approximately S\$9.88 million and approximately S\$9.98 million respectively.

### **Charges on assets**

As at 31 December 2025, the Group did not have any charges on assets.

### **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\$2,400,000.

As at 31 December 2025, the Group had no other significant commitments.

### **Financial guarantees**

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.

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.

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. This guarantee was released and discharged on 6 October 2025, following the refinancing arrangement undertaken by the Development SPV. On 29 July 2025, the Company entered into a new deed to provide a corporate guarantee for all monies owing under the loan facilities amounting to S\$18,870,000.

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 2024 under the Previous Facility Agreement, the existing guarantee was released and discharged.

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

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### **Contingent liabilities**

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.

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 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 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 December 2025. As at 31 December 2025, cumulative legal fees incurred in relation to legal actions taken against the Defendants and iProsperity Group amounted to S\$2,672,000 (31 December 2024: S\$1,728,000) where S\$1,985,000 (31 December 2024: S\$1,504,000) had been borne by ZACD Australia Hospitality Fund, S\$687,000 (31 December 2024: S\$224,000) had been borne by Remarkable Reach International Limited.

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

### **Dividends**

No dividend was paid or proposed by the Company for the financial year ended 31 December 2025 (31 December 2024: Nil).

### **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 December 2025.

During the financial year ended 31 December 2025, 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. Going forward, the Remuneration Committee will also review the share option scheme of the Company on annual basis.

### **EVENTS AFTER THE REPORTING PERIOD**

There is no significant event that would materially affect the Group’s operating and financial performance took place subsequent to 31 December 2025 and up to the date of this announcement.

## **BUSINESS OUTLOOK**

In Q4 2025, private housing prices continued their upward trajectory, building on the momentum of Q3's strong sales and benchmark pricing amid a softening interest rate environment. This resulted in a full-year price growth of 3.3% for 2025, representing a slight moderation from the 3.9% y-o-y growth recorded in 2024.

The quarter's rebound was primarily driven by the landed property segment, which surged 3.4% q-o-q (up from 1.4% in Q3 2025). In contrast, the non-landed segment stabilized with a marginal dip of 0.2% q-o-q, compared to the 0.8% q-o-q growth recorded in Q3 2025. Full year non-landed prices rose 2.3% vs landed property price increase of 7.6%, easing from 2.7% and 0.9% price growth in 2024 respectively.

The OCR and RCR non-landed segments were bolstered by several high-profile launches in the second half of the year, with price increases of 1.0% and 0.7% q-o-q respectively. Overall, prices in the CCR, RCR and OCR grew 1.9%, 1.6% and 3.2% respectively for the whole of 2025, building on to 2024 full-year growth of 4.5%, 5.8% and 3.7% respectively.

### **Project Milestones**

We expect the momentum from recent successful launches to carry into the new financial year. Our strategic entries into high-potential nodes included the Q2 2025 launch of Arina East Residences and the April 2025 debut of Bloomsbury Residences. The latter reflects our high conviction in the One-North precinct, underpinned by a notable scarcity of new residential supply in the area.

Furthermore, The Landmark achieved its Temporary Occupation Permit (TOP) in Q4 2025. We believe this milestone unlocks significant immediate-term investment opportunities and rental potential for our stakeholders.

## Executive Condominiums (EC) Performance

Our EC portfolio continues to demonstrate exceptional resilience:

- **Altura EC:** As of 31 December 2025, 99% of units have been sold. We anticipate a total sell-out by Q1 2026.
- **Coastal Cabana EC (Tampines):** Our next EC project in Tampines is slated for a Q1 2026 launch. Given the limited pipeline of ECs in the vicinity and the widening price gap with private housing, we expect this project to attract significant buyer interest.

## International Divestments

On the international front, we have successfully completed the sale of our hotel asset, The Sebel in Perth, Australia in Q2 2025. This marks the first of three assets held under ZACD Income Trust to be divested. We have appointed marketing agents for the remaining two assets as we continue to optimize our capital allocation.

## 2026 Strategic Outlook

The residential market remains anchored by solid organic demand. We expect buyer interest to concentrate on new launches, supported by a declining interest rate environment and improved financing conditions.

To enhance portfolio resilience, we are expanding our industrial footprint. Notably, we intend to actively participate in industrial land tender bids during 1H 2026 to capitalize on strategic sites released under the IGLS program.

Overall, the 2026 outlook for Singapore real estate remains positive, and we look forward to launching new funds that will further diversify and strengthen our investors' portfolios.

## **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 year ended 31 December 2025 and up to the date of this announcement, the Company has complied with all applicable code provisions of the CG Code as set out in Appendix C1 to the GEM Listing Rules.

## **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 year ended 31 December 2025.

## **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.

## **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 consolidated results of the Group for the year ended 31 December 2025 and this announcement with the external auditor of the Company.

Reference is made to the annual results for the year ended 31 December 2025 (the “**Annual Results FY2025**”). The figures in respect of the Group’s consolidated statement of profit or loss for the year ended 31 December 2025, consolidated statement of financial position as at 31 December 2025, consolidated statement of changes in equity for the year ended 31 December 2025, consolidated statement of cash flows for the year ended 31 December 2025 and notes to the financial statements for the year ended 31 December 2025 have been agreed by the Group’s auditor, Ernst & Young LLP to the amounts set out in the Group’s consolidated financial information for the year ended 31 December 2025.

**Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.**

## **EXTRACTED FROM INDEPENDENT AUDITOR'S REPORT PREPARED BY THE INDEPENDENT AUDITOR**

The following is an extract of the independent auditor's report for the year ended 31 December 2025 from the external auditor of the Company:

### **Our Opinion**

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "**Act**"), IFRS Accounting Standards ("**IFRSs**") 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**") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2025 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the year ended on that date.

### **Material Uncertainty related to Going Concern**

We draw attention to Note 2.1 to the financial statements which highlights events and conditions relating to the Group's exposure in ZACD LV Development Fund (the "Fund"), which could cause potential financial implication to the Group and Company. The Fund is set up in connection with a residential redevelopment project, and as stated in Note 35, the Company has provided a financial guarantee to secure loan facility drawn by the Development SPV. This could result in the Group making mandatory repayment of the Development SPV's outstanding loan and interests if no satisfactory agreement is reached with the lender on the extension of the loan facilities. As stated in Note 29, the Group also has a put option granted to Top Global Limited ("TGL") which is exercisable by TGL in January 2027. If TGL chooses to exercise its rights, the Group will be required to obtain financing to repurchase the underlying shares held by TGL in the Fund. These indicate the existence of a material uncertainty which may cast significant doubt on the ability of the Group and the Company to continue as a going concern.

In the event that the Group and the Company are unable to continue as a going concern, adjustments may have to be made to reflect the situation that assets may need to be realised other than in the amounts at which they are currently recorded in the statement of financial position. In addition, the Group and the Company may have to provide for further liabilities that might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities respectively. No adjustments have been made in the financial statements in respect of this. Our opinion is not modified in respect of this matter.

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**PUBLICATION OF THE ANNUAL REPORT ON THE WEBSITES OF THE EXCHANGE AND THE COMPANY**

The annual report for the year ended 31 December 2025 will be available on the Company's website ([www.zacdgroup.com](http://www.zacdgroup.com)) and the designated website of the Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) in due course.

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

Singapore, 31 March 2026

*As at the date of this announcement, the Board of the Company comprises four (4) executive Directors, namely, Ms. Sim Kain Kain, Mr. Yeo Choon Guan (Yao Junyuan), Mr. Phua Cher Chew (Pan Ziqiu) and Mr. Chin Meng Liong; three (3) independent non-executive Directors, namely, Mr. Lau Kin Chung Alex, Mr. Ma Yue Leong, Benjamin and Mr. Eugene Lim Chin Hon.*