

TARGET

Intelligence Report

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ZACD GROUP LTD: WILL MANAGEMENT CONSIDER, GOING FOR BROKE ?

ZACD Group Ltd (杰地集團有限公司) (Code: 8313, The Growth Enterprise Market – The GEM – The Stock Exchange of Hongkong Ltd) is a company, incorporated in The Republic of Singapore with limited liability.

The entire Issued and Fully Paid-Up Share Capital of the Company was listed on the secondary equity market of The Stock Exchange of Hongkong Ltd on or about January 16, 2018.

The Principal Activities of ZACD Group Ltd are said to be a holding company, engaged in four separate segments, namely: Investment management; acquisitions and project management; property management and tenancy management; and, financial advisory.

On or about Monday, March 25, 2024, the Annual Report with regard to the Financial Year, ended December 31, 2023, was published and disseminated in The Hongkong Special Administrative Region (HKSAR) of The People's Republic of China (PRC).

At Pages Three through to Seven of the 2023 Annual Report, Ms Sim Kain Kain (沈娟娟), the Chairperson of The Board of Directors of the Company, imparted to the Company's Shareholders and prospective investors the following intelligence:

'The Group's performance in FY2023, is a turnaround from the loss situation in FY2022. Operating revenue increased by 149% from approximately S\$3.98 million in FY2022 to approximately S\$9.91 million in FY2023. We have also turned into a net profit of S\$1.74 million in 2023, marking a significant improvement from a net loss of approximately S\$2.71 million in FY2022. The improvement in earnings was mainly attributable to the increase in revenue of approximately S\$5.93 million, stemming from better performance in both Fund Management segment and Acquisition and Project Management segment. The growth was partially offset by the increase in operating costs, such as staff costs by S\$0.90 million and higher impairment losses of approximately S\$0.30 million recognised on the amount due from related parties recognised by the Group and allowance for impairment loss on the bridging advance to the Fund of approximately S\$0.37 million in 2023. Other expenses also

decreased by 16.2% from S\$1.79 million in 2022 to S\$1.50 million in 2023, on our continued cost rationalisation exercise ...

‘Asia is home to 1800 family offices and more than half of them are located in Singapore. The concentration of global wealth in Singapore, despite the high interest environment in the US, is of particular interest to ZACD Group. It provides a stable and promising outlook for ZACD to continue riding on our proven track record in our integrated services, putting us in pole position to assist these family offices with project development and asset acquisitions, leveraging on our skills and expertise in the region. We continue to leverage on what we know best, to leverage on our real estate heritage to seize opportunities both locally and internationally.’

‘BUSINESS REVIEW

‘Our Group is an integrated asset manager headquartered in Singapore that offers solutions across the real estate value chain in Singapore and the Asia-Pacific region. The Group derives its revenue from investment management services, acquisitions and projects management services...’

‘Singapore’s economy grew 2.2% in the fourth quarter of 2023, bringing a full-year growth to 1.1%, on the back of a historically high base of US\$466 billion in GDP (Gross Domestic Product) for 2022, according to the Ministry of Trade and Industry press release on 15 February, 2024.’

‘Private residential property prices rose 6.8% in 2023. This combined with the price growth of 8.6% in 2022 and 10.6% for 2021 translates to a combined price increase of 26% over the last 3 years...’

‘As of 31 December 2023, our Group has over S\$475 million of assets under management which represents a 3.81% year on year increase from 2022. The Group has over 350 clients, made up of individual and institutional investors, with repeat clients representing approximately 38% of our customer base. This bears testament to our robust track record and demonstrates the strong loyalty and trust accorded to us by our clients.’

At Page Nine of the 2023 Annual Report of the Company, a **‘FIVE-YEAR FINANCIAL SUMMARY’** was presented as follows:

Financial Results	Annual results					
	2023	2022	2021	2020	2019	2018
	S\$’000	S\$’000	S\$’000	S\$’000	S\$’000	S\$’000
Revenue	9,906	3,983	5,596	5,325	14,919	11,786
Profit/(loss) before tax	2,414	(2,423)	7,515	(20,330)	4,994	1,115
Profit/(loss) for the year	1,737	(2,707)	7,461	(20,263)	4,622	1,081
Earnings/(loss) per share (Singapore cents)	0.09	(0.14)	0.37	(1.01)	0.23	0.05
	At 31 December					
	2023	2022	2021	2020	2019	2018

<i>Financial Position</i>	<i>S\$'000</i>	<i>S\$'000</i>	<i>S\$'000</i>	<i>S\$'000</i>	<i>S\$'000</i>	<i>S\$'000</i>
<i>Total assets</i>	31,596	27,454	28,316	21,600	40,365	37,487
<i>Total liabilities</i>	9,109	6,501	4,586	5,009	2,780	2,398
<i>Net current assets</i>	21,736	20,443	23,429	17,342	34,204	30,733
<i>Net assets</i>	22,487	20,953	23,730	16,591	37,585	35,089
<i>Net assets per share (Singapore cents)</i>	1.12	1.05	1.19	0.83	1.88	1.75'

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