

TAKA JEWELLERY HOLDINGS LIMITED

Company Registration No. 201526542C

Unaudited Interim Condensed Financial Statement

For the First Half Year ("1H2022") Financial Period Ended 31 December 2021

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TAKA JEWELLERY HOLDINGS LIMITED

Company Registration No. 201526542C

Unaudited Interim Condensed Financial Statement
For the First Half Year ("1H2022") Financial Period Ended 31 December 2021
A. Condensed interim consolidated statement of comprehensive income

	Group		Change
	Unaudited 1H2022 6 months ended 31 Dec 2021 S\$'000	Unaudited 1H2021 6 months ended 31 Dec 2020 S\$'000	
Revenue	45,321	44,196	3
Cost of sales	(34,139)	(33,229)	3
Gross profit	<u>11,182</u>	<u>10,967</u>	2
Other operating income	859	1,041	(17)
Distribution costs	(7,212)	(7,495)	(4)
Administrative expenses	(2,430)	(2,082)	17
Other operating expenses	(142)	(164)	(13)
Share of loss of associates	(2)	(57)	(96)
Finance costs	(350)	(474)	(26)
Profit before tax	<u>1,905</u>	<u>1,736</u>	9
Income tax expense	(36)	(162)	Nm
Profit after tax	<u>1,869</u>	<u>1,574</u>	19
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation	11	76	Nm
Total comprehensive income for the period	<u>1,880</u>	<u>1,650</u>	16
Profit after tax attributable to:			
Owners of the Company	1,883	1,603	17
Non-controlling interests	(14)	(29)	Nm
	<u>1,869</u>	<u>1,574</u>	19
Total comprehensive income for the period attributable to			
Owners of the Company	1,894	1,679	13
Non-controlling interests	(14)	(29)	Nm
	<u>1,880</u>	<u>1,650</u>	14
Earnings per share attribute to owners of the company (cents per share)			
Basic and Diluted	<u>0.34</u>	<u>0.28</u>	

Nm – not meaningful

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**Unaudited Financial Statement and Dividend Announcement
For the Six-Month Financial Period Ended 31 December 2021**
B. Condensed interim consolidated statement of financial position

	Group		Company	
	31.12.2021 Unaudited S\$'000	30.06.2021 Audited S\$'000	31.12.2021 Unaudited S\$'000	30.06.2021 Audited S\$'000
<u>ASSETS</u>				
Non-current assets				
Investment in subsidiaries	–	–	82,076	82,076
Investment in associates	6,253	6,255	–	–
Right of use assets	4,318	4,763	–	–
Property, plant and equipment	8,894	9,365	–	–
Trademarks	317	387	–	–
Other receivables	293	598	–	–
Deferred tax assets	518	509	–	–
	20,593	21,877	82,076	82,076
Current assets				
Inventories	72,893	71,692	–	–
Trade and other receivables	49,142	54,319	13,551	13,051
Prepayments	144	70	–	–
Cash and bank balances	12,237	15,243	473	1,171
	134,416	141,324	14,024	14,222
Total assets	155,009	163,201	96,100	96,298
<u>LIABILITIES</u>				
Current liabilities				
Bank borrowings	15,802	19,435	–	–
Trade and other payables	17,327	21,226	42	89
Lease liabilities	2,814	3,407	–	–
Income tax payable	113	254	–	–
	36,056	44,322	42	89
NET CURRENT ASSETS	98,360	97,002	13,892	14,133
Non-current liabilities				
Bank borrowings	11,150	13,069	–	–
Lease liabilities	1,000	952	–	–
Deferred tax liabilities	–	2	–	–
Provision for reinstatement	275	208	–	–
	12,425	14,231	–	–
Total Liabilities	48,481	58,553	42	89
NET ASSETS	106,528	104,648	96,058	96,209

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**Unaudited Financial Statement and Dividend Announcement
For the Six-Month Financial Period Ended 31 December 2021****B. Condensed interim consolidated statement of financial position (cont'd)**

	Group		Company	
	31.12.2021	30.06.2021	31.12.2021	30.06.2021
	Unaudited	Audited	Unaudited	Audited
	S\$'000	S\$'000	S\$'000	S\$'000
Equity attributable to owners of the Company				
Share capital	96,719	96,719	96,719	96,719
Merger reserve	(64,502)	(64,502)	–	–
Treasury shares	(698)	(698)	(698)	(698)
Translation reserve	730	719	–	–
Retained earnings	74,258	72,375	37	188
Equity attributable to equity holders	106,507	104,613	96,058	96,209
Non-controlling interest	21	35	–	–
Total Equity	106,528	104,648	96,058	96,209

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**Unaudited Financial Statement and Dividend Announcement
For the Six-Month Financial Period Ended 31 December 2021**
C. Condensed interim consolidated statement of cash flows

	Group Unaudited 1H2022 S\$'000	Group Audited 1H2021 S\$'000
Operating activities		
Profit before tax	1,905	1,736
Adjustments for:		
Depreciation of property, plant & equipment	473	516
Depreciation of right-of-use assets	2,170	2,223
Amortisation of trademark	70	70
Finance costs	348	474
Share of loss of associate	2	57
Allowance for impairment of trade receivables	128	100
Fair value change of bullion loans	—	(134)
Unrealised exchange (gain)/ loss	(42)	107
Fixed assets written off	—	2
Bad debt written off	61	—
Loss on disposal of property, plant and equipment and right-of-use assets	(1)	—
Operating cash flows before movements in working capital	5,114	5,151
Decrease in trade and other receivables and prepayments	5,805	2,524
(Increase)/ decrease in inventories	(1,201)	10,925
Decrease in trade and other payables	(4,410)	(5,531)
Cash generated from operations	5,308	13,069
Interest paid	(348)	(474)
Income tax paid, net	(177)	(73)
Net cash generated from operating activities	4,783	12,522
Investing activities		
Proceeds from disposal of property, plant and equipment	24	—
Purchase of property, plant and equipment	(37)	(42)
Net cash used in investing activities	(13)	(42)
Financing activities		
Proceeds from bank borrowings	3,000	2,189
Repayment of bank borrowings	(7,984)	(8,670)
Repayment of bullion loans	—	(3,598)
Decrease in bills payable	(655)	—
Repayment of finance lease obligations	(2,256)	(2,212)
Net cash used in financing activities	(7,895)	(12,291)
Net (decrease) / increase in cash and cash equivalents	(3,125)	189
Net effect of exchange rates changes on the cash balance held in foreign currencies	103	(35)
Cash and cash equivalents at beginning of the financial period	12,746	11,157
Cash and cash equivalents at end of the financial period	9,724	11,311

Note to statement of cash flows:

Cash and cash equivalents included in the consolidated statement of cash flows comprise of the following amounts:

Cash and bank balances	12,237	13,813
Fixed deposits pledged with banks	(2,513)	(2,502)
Cash and cash equivalents	9,724	11,311

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Condensed Interim Financial Statements
For the Six-Month Ended 31 December 2021

D. Condensed interim consolidated statement of changes in equity

	Share Capital	Merger reserve	Treasury shares	Foreign currency translation reserve	Retained earnings	Non-controlling interest	Total Equity
Group (Unaudited)	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
As at 1 July 2021	96,719	(64,502)	(698)	719	72,375	35	104,648
Profit for the financial period	–	–	–	–	1,883	(14)	1,869
Other comprehensive loss							
Foreign currency translation	–	–	–	11	–	–	11
Total comprehensive income	–	–	–	11	1,883	(14)	1,880
As at 31 December 2021	96,719	(64,502)	(698)	730	74,258	21	106,528

	Share Capital	Merger reserve	Treasury shares	Foreign currency translation reserve	Retained earnings	Non-controlling interest	Total Equity
Group (Unaudited)	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
As at 1 July 2020	96,719	(64,502)	(698)	738	69,958	46	102,261
Profit for the financial period	–	–	–	–	1,603	(29)	1,574
Other comprehensive income							
Foreign currency translation	–	–	–	76	–	–	76
Total comprehensive income	–	–	–	76	1,603	(29)	1,650
As at 31 December 2020	96,719	(64,502)	(698)	814	71,561	17	103,911

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D. Condensed interim consolidated statement of changes in equity (cont'd)

Company (Unaudited)	Share Capital S\$'000	Treasury shares S\$'000	Retained earnings S\$'000	Total Equity S\$'000
Balance as at 1 July 2021	96,719	(698)	188	96,209
Loss for the financial period	–	–	(151)	(151)
Total comprehensive income	–	–	(151)	(151)
Balance as at 31 December 2021	96,719	(698)	37	96,058

Company (Unaudited)	Share Capital S\$'000	Treasury shares S\$'000	Retained earnings S\$'000	Total Equity S\$'000
Balance as at 1 July 2020	96,719	(698)	527	96,548
Loss for the financial period	–	–	(194)	(194)
Total comprehensive income	–	–	(194)	(194)
Balance as at 31 December 2020	96,719	(698)	333	96,354

E. Notes to the condensed interim consolidated financial statements

E1. Corporate Information

Taka Jewellery Holdings Limited formally known as TLV Holdings Limited (the “**Company**”) is incorporated in the Republic of Singapore. These condensed interim financial statements as at and for the six months ended 31 December 2021 comprise the Company and its subsidiaries (collectively, the “**Group**”). The principal activity of the Company is that of investment holding. The principal activities of the Company’s subsidiaries are those relating to wholesale and retail of jewellery, pawn broking and secured moneylending.

E2. Basis of preparation

E2.1 Statement of compliance

The condensed interim financial statements for 1H2022 have been prepared in accordance with Singapore Financial Reporting Standards (International) (“SFRS(I)”) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and the performance of the Group since the last annual financial statements for the year ended 30 June 2021. Other than the adoption of the amended standards as set out in Note E3, there were no changes in accounting policies and methods of computation adopted in the financial statements for the current reporting period as compared to the most recent audited annual financial statements for the year ended 30 June 2021, which were in accordance with SFRS(I)s.

E2.2 Basis of measurement

The condensed interim financial statements have been prepared on the historical cost basis except as otherwise described in the notes below. The condensed interim financial statements have been prepared on a going concern basis, since the directors have verified that there are no financial, operating or other types of indicators that might cast significant doubt upon the Group’s ability to meet its obligations in the foreseeable future and particularly within the 12 months from the end of the reporting period.

E2.3 Functional and presentation currencies

The condensed interim financial statements are presented in Singapore dollars, which is the Company’s functional currency.

E2.4 Uses of estimates and judgements

The preparation of the Group’s condensed interim consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods. Management is of the opinion that there is no significant judgement made in applying accounting policies that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period.

E2.4.1 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are discussed below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

E2.4.1.1 Allowance for impairment of trade receivables

The Group uses a provision matrix to calculate ECLs for its trade receivables from exhibition jewellery sales. The provision matrix is based on the Group’s evaluation of collectability, analysis of historical observed default rates and aging analysis of trade receivables. The Group will calibrate the matrix to adjust for forward-looking factors specific to the debtors and economic factors that may affect the recoverability of the trade receivables. At each reporting date, the historical observed default rates are updated and changes in the forward-looking factors are analysed.

E2.4 Uses of estimates and judgements (cont'd)

E2.4.1 Key sources of estimation uncertainty (cont'd)

E2.4.1.1 Allowance for impairment of trade receivables (cont'd)

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 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.

In assessing the ultimate realisation of the trade receivables, the Group also considers the current creditworthiness and past collection history of its customers. If the financial conditions of the customers were to deteriorate, resulting in an impairment of their ability to make payments, additional specific allowances may be required.

E2.4.1.2 Allowance for inventory obsolescence

The Group periodically assesses the allowance for inventory obsolescence. When the inventories are deemed not saleable, the difference between net realisable value and cost is recognised as an allowance against the inventory balance. The Group assesses the market and economic conditions prevailing at the reporting date, where the appropriate amount of allowance is determined by considering the age of inventories, market prices for gold, expected and current demand and rework costs. The carrying amount of the Group's inventories at the end of the reporting period is disclosed in Note E9 to the financial statements.

E3. New and amended standards

The Group has adopted all the new and revised standards which are effective for annual financial periods beginning on or after 1 July 2021. The adoption of these standards did not have any material effect on the financial performance or position of the Group.

E4. Seasonal operations

The group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

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E5. Segmented revenue and results for operating segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

(Unaudited) S\$'000	1H2022					Total
	Exhibition	Retail	Financial services	Unallocated	Elimination	
Segment revenue :						
External Sales	15,187	28,661	1,473	–	–	45,321
Intersegment sales	–	1,465	805	–	(2,270)	–
Total Revenue	15,187	30,126	2,278	–	(2,270)	45,321
Results :						
Segment results	2,655	1,361	572	–	–	4,588
Unallocated expenses (net)	–	–	–	(2,331)	–	(2,331)
Finance costs	–	(75)	(99)	(176)	–	(350)
Share of loss from associate	–	(2)	–	–	–	(2)
Profit before tax	2,655	1,284	473	(2,507)	–	1,905
Income tax expense	–	–	–	(36)	–	(36)
Profit after tax	2,655	1,284	473	(2,543)	–	1,869
Segment assets & liabilities						
Segment assets	53,971	69,661	30,360	1,017	–	155,009
Segment liabilities	14,755	22,300	11,315	111	–	48,481
Other segmental information:						
Depreciation of property, plant & equipment	93	335	45	–	–	473
Capital expenditure	15	21	1	–	–	37
Investment in associate	–	6,253	–	–	–	6,253
Non-current assets	3,948	15,766	362	517	–	20,593

The customer profile of the Company is geographically diverse. Accordingly, further segmentation by geographical market is not meaningful.

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E5. Segmented revenue and results for operating segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year. (cont'd)

(Unaudited)	1H2021					
S\$'000	Exhibition	Retail	Financial services	Unallocated	Elimination	Total
Segment revenue :						
External Sales	9,125	33,602	1,469	–	–	44,196
Intersegment sales	–	817	464	–	(1,281)	–
Total Revenue	9,125	34,419	1,933	–	(1,281)	44,196
Results :						
Segment results	1,568	2,513	527	–		4,608
Unallocated expenses (net)	–	–	–	(2,341)		(2,340)
Finance costs	–	(115)	(125)	(234)		(474)
Share of loss from associates	–	(57)	–	–		(57)
Profit before tax	1,567	2,341	402	(2,575)		1,736
Income tax expense	–	–	–	(162)		(162)
Profit after tax	1,567	2,341	402	(2,737)		1,574
Segment assets & liabilities						
Segment assets	43,842	92,296	31,060	2,111		169,309
Segment liabilities	12,686	40,217	12,086	408		65,397
Other segmental information:						
Depreciation of property, plant & equipment	60	416	40	–		516
Capital expenditure	2	8	32	–		42
Investment in associates	–	6,480	–	–		6,480
Non-current assets	2,851	20,645	655	842		24,993

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E6. Right of use assets

Group	Retail & Office Premises S\$'000	Motor Vehicles S\$'000	Total S\$'000
Costs:			
At 1 Jul 2021	12,531	1,349	13,880
Additions	-	1,088	1,088
Modification	998	-	998
Disposals	(538)	(884)	(1,422)
At 31 Dec 2021	12,991	1,553	14,544
Accumulated depreciation:			
At 1 Jul 2021	8,444	673	9,117
Charge for the period	2,093	77	2,170
Disposals	(538)	(523)	(1,061)
At 31 Dec 2021	9,999	227	10,226
Carrying value:			
At 31 Dec 2021	2,992	1,326	4,318
At 30 Jun 2021	4,087	676	4,763

E7. Property, plant and equipment

- (i) Loss on disposal of property, plant and equipment

During the financial period, the Group disposed property, plant and equipment with a carrying amount of \$36,000 (December 2020: –). Cash proceeds of \$24,000 (December 2020: –) were received on disposal of the property, plant and equipment.

- (ii) Purchase of property, plant and equipment

During the period, the Group acquired property, plant and equipment of \$37,000 (December 2020: \$42,000).

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E8. Trademarks

	Group	
	31.12.2021	30.06.2021
	S\$'000	S\$'000
Cost		
At the beginning and end of period/ year	1,408	1,408
Accumulated amortisation		
At beginning of the period/ year	1021	880
Charge for the period/ year	70	141
At end of the period/ year	1,091	1,021
Net carrying value		
At end of the period/ year	317	387

Trademarks relate to the "Taka Jewellery" trademarks. The remaining useful life of these trademarks is approximately 2 (2021: 3) years.

The amortisation of trademarks is included in the "Other operating expense" line item in profit or loss.

E9. Inventories

	Group	
	31.12.2021	30.06.2021
	S\$'000	S\$'000
Balance sheet:		
Finished goods and goods for resale, at cost	45,807	42,570
Raw materials, at cost	27,088	29,124
Less: Allowance for obsolete inventories	(2)	(2)
Total inventories at lower of cost and net realisable value	72,893	71,692
Consolidated statement of comprehensive income:		
Inventories recognised as an expense in cost of sales	34,139	33,229

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E10. Trade and other receivables

	Group		Company	
	31.12.2021 S\$'000	30.06.2021 S\$'000	31.12.2021 S\$'000	30.06.2021 S\$'000
Non-current				
Rental deposits	293	598	–	–
Current				
Trade receivables:				
Third parties	47,341	51,973	–	–
Other receivables:				
Third parties	502	1,407	–	1
Deposits	906	538	–	–
Advances to suppliers	393	401	–	–
Amount due from subsidiary	–	–	13,551	13,050
	1,801	2,346	13,551	13,051
Total current receivables	49,142	54,319	13,551	13,051
Total trade and other receivables	49,435	54,917	13,551	13,051
Add/(less):				
Advances to suppliers	(393)	(401)	–	–
Cash and cash equivalents	12,237	15,243	473	1,171
GST receivable	–	(6)	(1)	(1)
Grant receivable	–	(195)	–	–
Total financial assets carried at amortised cost	61,279	69,558	14,023	14,221

Trade receivables are non-interest bearing and are generally on 30 to 180 days terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

The amount due from subsidiary is unsecured, interest-free, repayable on demand and to be settled in cash.

Trade and other receivables denominated in foreign currencies at the end of the financial period/year are as follows:

	Group	
	31.12.2021 S\$'000	30.06.2021 S\$'000
United States Dollars	10,888	17,247
Hong Kong Dollars	–	1,080

Expected credit losses

Movement in allowance for expected credit losses of trade receivables based on lifetime ECL are as follows:

	31.12.2021 S\$'000	30.06.2021 S\$'000
Movement in allowance accounts:		
At beginning of year/ period	6,833	7,701
Charge/(reversal) for the period/ year	128	(505)
Write-back	–	(34)
Exchange differences	164	(329)
At end of period/ year	7,125	6,833

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E11. Loans and borrowings

	Group	
	31.12.2021	30.06.2021
	S\$'000	S\$'000
Current		
Bills payable	2,030	2,598
Revolving loans	9,000	10,500
Floating rate term loans	2,496	4,516
Fixed rate term loans	2,276	1,821
	15,802	19,435
Non-current		
Floating rate term loans	4,306	4,892
Fixed rate term loans	6,844	8,177
	11,150	13,069
Total loans and borrowings	26,952	32,504

Bills payable, revolving loans, floating rate term loans and fixed rate term loans

Bills payable bears an interest rate of 1.64% and 1.70% (2021: 1.69%) per annum and are repayable within 120 days (2021: 120 days). Bills payable are denominated in United States Dollars.

Revolving loans bear interest at rates ranging from 1.62 % to 1.95 % (2021: 1.50 % to 2.04 %) per annum. The revolving loans are due for repayment within the next one month from the end of the reporting period.

Floating rate term loans bear interest at rates ranging from 1.52% to 2.00% (2021: 1.50% to 2.00%) per annum. The loans mature between 1 to 21 (2021: 1 to 22) years as at 31 December 2021. Floating rate term loans amounting to \$4,463,000 (2021: \$4,542,000) are secured by first mortgage over leasehold properties owned by the Group.

Fixed rate term loans bear interest at rate at 2.24 % to 3.75% (2021: 2.24% to 3.75%) per annum and are expected to be fully repaid by January 2026.

All bank borrowings are secured by corporate guarantee from the Company. An amount of \$7,000,000 (2021: \$10,500,000) is also secured by corporate guarantee from a subsidiary.

Aggregate amount of group's borrowings and debt securities

Amount repayable in one year or less, or on demand

	31.12.2021		30.06.2021	
	(Unaudited)		(Audited)	
	Secured	Unsecured	Secured	Unsecured
	S\$'000	S\$'000	S\$'000	S\$'000
Amount repayable in one year or less, or on demand	9,111	6,691	14,124	5,311
Amount repayable after one year	4,305	6,845	4,892	8,177
	13,416	13,536	19,016	13,488

Details of any collateral:

1. Bank borrowings of \$4.46 million (30 June 2021: \$4.54 million) are secured by first mortgage over leasehold property owned by a subsidiary of the Group.
2. Term loans of \$2.0 million (30 June 2021: \$4.0 million) are secured by a subsidiary's pledge of fixed deposits amounting to about \$2.1 million (30 June 2021: \$2.1 million).
3. Short term bank loans of \$7 million (30 June 2021: \$10.5 million) is secured by a subsidiary's cash account and a fixed and floating charge on all present and future assets of the subsidiary.

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E12. Trade and other payables

	Group		Company	
	31.12.2021 S\$'000	30.06.2021 S\$'000	31.12.2021 S\$'000	30.06.2021 S\$'000
Non-current				
Provision for reinstatement cost	275	208	–	–
Current				
Trade payables:				
Third parties	13,560	15,272	–	–
Associates	1,535	3,199	–	–
	15,095	18,471	–	–
Other payables:				
Third parties	323	673	1	–
Accrued expenses	1,909	2,004	41	89
Provision for reinstatement cost	–	78	–	–
Total current trade and other payables	17,327	21,226	42	89
Total trade and other payables	17,602	21,434	42	89
Add/(less):				
Loans and borrowings	26,952	32,504	–	–
Lease liabilities	3,815	4,359	–	–
GST payable	(106)	(149)	–	–
Provision for reinstatement cost	(275)	(286)	–	–
Deferred grant income	–	(390)	–	–
Total financial liabilities at amortised cost	47,988	57,472	42	89

Trade payables are non-interest bearing and are normally settled on 210 days term.

Trade and other payables denominated in foreign currencies at the end of the financial period/year are as follows:

	Group	
	31.12.2021 S\$'000	30.06.2021 S\$'000
United States Dollars	14,655	18,551
Hong Kong Dollars	93	203

E13. Other operating income

	Group	
	1H2022 6 Months Ended 31 Dec 2021 S\$'000	1H2021 6 Months Ended 31 Dec 2020 S\$'000
Government grants	714	763
Sundry income	100	71
Rent rebate	45	207
	859	1,041

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E14. Notes to condensed interim consolidated statement of profit or loss and other comprehensive Income

Profit before income tax is arrived after (charging)/ crediting the following:

	Group	
	1H2022	1H2021
	6 months	6 months
	ended	ended
	31 Dec	31 Dec
	2021	2020
	S\$'000	S\$'000
Interest income from financial services	1,473	1,469
Allowance for impairment of trade receivables	(128)	(100)
Bad debts written off	(61)	(88)
Net foreign currency exchange gain/ (loss)	71	(195)
Interest expense on bank borrowings	(275)	(342)
Depreciation of right-of-use assets	(2,170)	(2,223)
Depreciation of property, plant and equipment	(473)	(516)
Amortisation of trademark	(70)	(70)

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E15. Details of any changes in the company's share capital arising from rights issue, bonus issue, subdivision, consolidation, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

	Number of Shares	Share capital (S\$'000)
As at 30 June 2021	559,406,000	96,021
As at 31 Dec 2021	559,406,000	96,021

The Company did not have any subsidiary holding, outstanding options or convertibles as at 31 December 2021 and 31 December 2020.

	31.12.2021	30.06.2021
Number of issued shares held as treasury shares	6,100,000	6,100,000
Number of issued shares held as subsidiary holdings	–	–
Total number of issued shares excluding treasury shares and subsidiary holdings	559,406,000	559,406,000

Accordingly, the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed is 1.1% as at 31 December 2021 and 30 June 2021 respectively.

To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year

	31.12.2021	30.06.2021
Total number of issued shares excluding treasury shares	559,406,000	559,406,000

E16. Subsequent events

There are no known subsequent events which have led to adjustments to this set of interim financial statements.

F. Other information required by appendix 7C of Catalyst Rules.

F1. A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable. There were no sales, transfers, cancellations and/or use of treasury shares during the financial period reported on.

F2. A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

Not applicable. There were no sales, transfers, cancellations and/or use of subsidiary holdings during and as at the end of the current financial period reported on.

F3. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice

The figures have not been audited or reviewed by the Company's auditors.

F4. Where the figures have been audited or reviewed, the auditors' report (including any modifications or emphasis of a matter)

Not applicable.

F4.1 Where the figures have been audited or reviewed, the auditors' report (including any modifications or emphasis of a matter) where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:

(a) Updates on the efforts taken to resolve each outstanding audit issue.

(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed. This is not required for any audit issue that is a material uncertainty relating to going concern.

Not applicable. The Group's latest financial statements are not subject to an adverse opinion, qualified opinion or disclaimer of opinion.

F5. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The Group has consistently applied the same accounting policies and methods of computation in the Group's financial statements for 1H2022 as those of the most recent audited financial statements for the year ended and as at 30 June 2021.

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- F6. Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

	Group	
	Unaudited 1H2022 6 months ended 31 Dec 2021	Unaudited 1H2021 6 months ended 31 Dec 2020
Profit attributable to owners of the Company (S\$'000)	1,894	1,679
Number of ordinary shares for the purposes of basic earnings per share and diluted earnings per share ('000)	559,406	559,406
Basic and diluted earnings per share (Singapore cents) ¹	0.34	0.30

Note:

¹The basic and diluted earnings per share are the same as there were no potential dilutive ordinary shares existing during the financial year.

- F7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the (a) Current financial period reported on; and (b) Immediately preceding financial year.**

	GROUP		COMPANY	
	31.12.2021 Unaudited	30.06.2021 Audited	31.12.2021 Unaudited	30.06.2021 Audited
Net asset value per ordinary share (Singapore cents)	19.04	18.71	17.17	17.20
Number of issued shares (excluding treasury shares) ('000)	559,406	559,406	559,406	559,406

The net asset value per ordinary share of the Group and the Company as at 31 December 2021 were calculated based on the total issued number of ordinary shares (excluding treasury shares) of 559,406,000 (30 June 2021: 559,406,000).

F8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss:-

- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
- (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on**

Review of the Income Statement of the Group

Revenue

	GROUP		
	1H2022	1H2021	Change
	(Unaudited) S\$'000	(Audited) S\$'000	%
Retail business	28,661	33,602	(15)
Financial Services	1,473	1,469	-
Wholesale and exhibition business	15,187	9,125	66
Total	45,321	44,196	3

The Group recorded an increase in revenue of \$1.1 million mainly due to partial recovery in the wholesale and exhibition segment.

Revenue for the wholesale and exhibition business was \$15.2 million for 1H2022 or 66% higher than the corresponding period 1H2021.

Revenue for retail business decreased by 15% from \$33.6 million in 1H2021 to \$28.7m in 1H2022. Business activities were impacted amidst Singapore's stabilisation phase, which started on 27 September 2021 and was later extended to 21 November 2021, during which restrictions such as a two-person cap on social gatherings were in place resulting in lower footfall in the malls.

Revenue for the financial services business maintained at \$1.5 million level.

Gross profit and gross profit margin

Gross profit margin maintained at 25% consistent in 1H2022 as compared to 1H2021.

Other operating income

Other operating income was \$0.8 million in 1H2022 as compared to \$1.0 million in 1H2021, a decrease of \$0.2 million. The decrease was attributable to the lower rental support scheme received in 1H2022 as compared to 1H2021.

Distribution costs

Distribution costs decreased by approximately \$0.3 million, or 4% to \$7.21 million in 1H2022 largely due to lower variable compensation and rental costs relating to retail business.

Administrative expenses

Administrative expenses increased from \$2.1 million in 1H2021 to \$2.4 million in 1H2022 mainly due to the higher employee benefit expenses.

Review of the Income Statement of the Group (cont'd)

Share of loss of associate

The Group registered share of loss of associate of \$0.02 million in 1H2022 which relates to the financial performance of the Group's 50% investment in Globe Diamonds Singapore Pte Ltd. The marginal loss was attributable to the lower business activities in 1H2022 as compared to 1H2021.

Finance costs

Finance costs decreased by approximately \$0.1 million or 26% to \$0.35 million in 1H2022. This was mainly due decreased utilisation of bank credit facilities and the reduction on the lending rates.

Profit before tax

The Group registered a profit before tax of \$1.9 million for 1H2022 which represents a 9% increase from \$1.7 million profit in 1H2021.

Review of the Financial Position of the Group

Non-current assets

Non-current assets decreased by approximately \$1.3 million or 6% from \$21.9 million as at 30 June 2021 to \$20.6 million as at 31 December 2021. This was mainly due to the decrease in rights-of-use assets and property, plant and equipment.

Current assets

Current assets decreased by approximately \$6.9 million or 5% from \$141.3 million as at 30 June 2021 to \$134.4 million as at 31 December 2021, this was attributable to the reduction in trade and other receivables of \$5.2 million from the collection of the exhibition receivables and decrease in cash and cash equivalents of \$3.0 million offset by increase in inventories of \$1.2 million.

Current liabilities

Current liabilities decreased by approximately \$8.3 million or 19% from \$44.3 million as at 30 June 2021 to \$36.0 million as at 31 December 2021 due to the decrease in short term bank borrowings of \$3.6 million. In addition, the decrease was also due to the reduction in trade and other payables of \$3.9 million.

Non-current liabilities

Non-current liabilities decreased by approximately \$1.8 million or 13% from \$14.2 million as at 30 June 2021 to \$12.4 million as at 31 December 2021 due to the decrease in bank borrowings of \$1.9 million.

Working capital

The Group had a positive working capital of approximately \$98.3 million as at 31 December 2021 as compared to approximately \$97.0 million as at 30 June 2021.

Review of the Cash Flow Statement of the Group

The Group's cash and cash equivalents position decreased by approximately \$3.1 million as at 31 December 2021 as compared to 30 June 2021.

Net cash generated from operating activities

In 1H2022, the group recorded a net cash generated from operating activities of \$4.8 million which was a net result of operating cash flow before working capital changes of \$5.1 million, adjusted for working capital inflow of \$0.2 million. The net working capital inflow of \$0.2 million was mainly due to the following: (a) Decrease in trade and other payables of \$4.4 million; (b) Decrease in trade and other receivables and prepayment of \$5.8 million; and (c) Increase in inventories of \$1.2 million.

Net cash used in financing activities

Net cash used in financing activities amounted to \$7.9 million in 1H2022 mainly attributable to net repayment of bank borrowings of \$5.0 million and the payment of lease liabilities of \$2.3 million.

F9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

No forecast or prospect statement has been previously issued.

F10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

Countries around the world have begun transiting from dealing with the pandemic to living in an endemic environment by the gradual adaption and adjustment to the combat of new COVID-19 variant of Omicron and the easing of global travel restrictions. While recovery of global logistic chain and international trade fair remain uncertain, the Group is cautiously optimistic of the gradual recovery of local business environment and sales to overseas customers through electronic means.

To maintain our competitive edge and sustain long term growth, the Group will continue to focus on strengthening our core competencies, as well as constantly innovate and transform to keep up with current trends and entrench our market position as the key player in the jewellery industry in both the international and domestic arena. The diversification into the moneylending business will also provide new income stream for the Group and bolster its long term growth to enhance shareholder value.

Barring any unforeseen circumstances, the Group expects to be profitable for FY2022.

F11. Dividend

If a decision regarding dividend has been made: -

F11.1 Whether an interim (final) ordinary dividend has been declared (recommended); and

F11.2.1 Amount per share (cents)

Not applicable.

F11.2.2 Previous corresponding period (cents)

Not applicable. No dividend has been declared or recommended for the previous corresponding period.

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F11.3 Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).

Not applicable.

F11.4 The date the dividend is payable.

Not applicable.

F11.5 The date on which Registrable Transfers received by the Company (up to 5.00pm) will be registered before entitlements to the dividend are determined.

Not applicable.

F12. If no dividend has been declared/recommended, a statement to that effect and the reason(s) for the decision.

No interim dividend has been declared/recommended for the 1H2022 as the Company strives to conserve cash for working capital purposes.

F13. If the group has obtained a general mandate from shareholders for interested person transactions ("IPT"), the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

There were no other IPT of \$100,000 and above for the current financial year reported on. The Group does not have a general mandate from shareholders for IPTs.

F14. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H under Rule 720(1))

The Company confirms that it has procured undertakings from all its directors and executive officers in the required format.

F15. Disclosures on Acquisition and Realisation of Shares pursuant to Catalist Rule 706A

Not applicable. During the period ended 31 December 2021, there was no acquisition or disposal of shares in subsidiaries, associated companies of the Company or in any company which became or ceased to be a subsidiary or an associated company (as the case may be) resulting from such acquisition or disposal, as required by Rule 706A.

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Confirmation pursuant to Rule 705(5) of the Catalist Listing Manual

On behalf of the Board of Directors of the Company, we the undersigned, hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the unaudited financial statements for the 6 months period ended 31 December 2021 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD
Taka Jewellery Holdings Limited

Teo Boon Leng
Managing Director

Ang Kah Leong
Executive Director

10 February 2022