

TAKA JEWELLERY HOLDINGS LIMITED

Company Registration No. 201526542C

Unaudited Condensed Interim Financial Statement

For the Second Half Year (“2H 2022”) and Full Year Ended 30 June 2022

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TAKA JEWELLERY HOLDINGS LIMITED

Company Registration No. 201526542C

Unaudited Condensed Interim Financial Statement
For the Second Half Year ("2H 2022") and Full Year Ended 30 June 2022
A. Condensed interim consolidated statement of comprehensive income

	Group			Group		
	Unaudited	Unaudited	Change	FY 2022	FY 2021	Change
	6 months ended 30 June 2022	6 months ended 30 June 2021	%	12 months ended 30 June 2022	12 months ended 30 June 2021	%
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue	58,949	52,637	12	104,270	96,833	8
Cost of sales	(42,713)	(41,663)	3	(76,852)	(74,892)	3
Gross profit	16,236	10,974	48	27,418	21,941	25
Other operating income	999	786	27	1,858	1,813	2
Distribution costs	(8,428)	(7,523)	12	(15,640)	(15,018)	4
Administrative expenses	(3,248)	(2,846)	14	(5,678)	(4,928)	15
Other operating expenses	(147)	(193)	(24)	(161)	(243)	(34)
(Impairment loss)/ reversal of impairment loss on trade receivables	24	639	(96)	(104)	539	Nm
Share of profit/(loss) of associates	64	(224)	Nm	62	(281)	Nm
Finance costs	(368)	(426)	(14)	(718)	(900)	(20)
Profit before tax	5,132	1,187	332	7,037	2,923	141
Income tax expense	(1,124)	(344)	227	(1,160)	(506)	129
Profit after tax	4,008	843	375	5,877	2,417	143
Other comprehensive income						
<i>Items that may be reclassified subsequently to profit or loss</i>						
Foreign currency translation	4	(107)	Nm	15	(30)	Nm
Total comprehensive income for the period/ year	4,012	736	445	5,892	2,387	147
Profit after tax attributable to:						
Owners of the Company	3,997	814	Nm	5,880	2,417	Nm
Non-controlling interests	11	29	(62)	(3)	–	Nm
	4,008	843	Nm	5,877	2,417	Nm
Total comprehensive income for the period attributable to						
Owners of the Company	4,000	719	Nm	5,894	2,398	Nm
Non-controlling interests	12	17	(29)	(2)	(11)	(82)
	4,012	736	Nm	5,892	2,387	Nm
Earnings per share attribute to owners of the company (cents per share)						
Basic and Diluted	0.34	0.15		1.05	0.43	

Nm – not meaningful

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B. Condensed interim consolidated statement of financial position

	Group		Company	
	30.06.2022	30.06.2021	30.06.2022	30.06.2021
<u>ASSETS</u>	Unaudited	Audited	Unaudited	Audited
	S\$'000	S\$'000	S\$'000	S\$'000
Non-current assets				
Investment in subsidiaries	–	–	82,076	82,076
Investment in associates	6,317	6,255	–	–
Right of use assets	7,456	4,763	–	–
Property, plant and equipment	8,668	9,365	–	–
Trademarks	246	387	–	–
Other receivables	495	598	–	–
Deferred tax assets	453	509	–	–
	23,635	21,877	82,076	82,076
Current assets				
Inventories	83,172	71,692	–	–
Trade and other receivables	52,696	54,319	12,971	13,051
Prepayments	99	70	2	–
Cash and bank balances	11,229	15,243	832	1,171
	147,196	141,324	13,805	14,222
Total assets	170,831	163,201	95,881	96,298
<u>LIABILITIES</u>				
Current liabilities				
Bank borrowings	21,053	19,435	–	–
Trade and other payables	21,334	21,226	18	89
Lease liabilities	2,986	3,407	–	–
Income tax payable	1,109	254	–	–
	46,482	44,322	18	89
NET CURRENT ASSETS	100,714	97,002	13,787	14,133
Non-current liabilities				
Bank borrowings	9,844	13,069	–	–
Lease liabilities	3,795	952	–	–
Deferred tax liabilities	–	2	–	–
Provision for reinstatement	170	208	–	–
	13,809	14,231	–	–
Total Liabilities	60,291	58,553	18	89
NET ASSETS	110,540	104,648	95,863	96,209

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Unaudited Condensed Interim Financial Statements

For the Second Half Year ("2H 2022") and Full Year Ended 30 June 2022

B. Condensed interim consolidated statement of financial position (cont'd)

	Group		Company	
	30.06.2022	30.06.2021	30.06.2022	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	733	719	–	–
Retained earnings	78,255	72,375	(158)	188
Equity attributable to equity holders	110,507	104,613	95,863	96,209
Non-controlling interest	33	35	–	–
Total Equity	110,540	104,648	95,863	96,209

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Unaudited Condensed Interim Financial Statements
For the Second Half Year ("2H 2022") and Full Year Ended 30 June 2022
C. Condensed interim consolidated statement of cash flows

	Group Unaudited FY2022 S\$'000	Group Audited FY2021 S\$'000
Operating activities		
Profit before tax	7,037	2,923
Adjustments for:		
Depreciation of property, plant & equipment	896	1,030
Depreciation of right-of-use assets	4,253	4,435
Amortisation of trademark	141	141
Finance costs	718	900
Share of (profit)/ loss of associate	(62)	281
Impairment loss/ (reversal of impairment loss) on trade receivables	104	(539)
Fair value change of bullion loans	—	(134)
Unrealised exchange (gain)/ loss	(30)	(134)
Bad debt written off	141	88
(Gain)/ loss on disposal of property, plant and equipment and right-of-use assets	(31)	13
Operating cash flows before movements in working capital	13,167	9,004
Decrease/ (increase) in trade and other receivables and prepayments	911	(1,629)
(Increase)/ decrease in inventories	(11,480)	19,362
Increase/ (decrease) in trade and other payables	679	(7,763)
Cash generated from operations	3,277	18,974
Interest paid	(718)	(900)
Income tax paid, net	(251)	(194)
Net cash generated from operating activities	2,308	17,880
Investing activities		
Proceeds from disposal of property, plant and equipment	117	25
Purchase of motor vehicles	(188)	—
Purchase of property, plant and equipment	(296)	(113)
Net cash used in investing activities	(367)	(88)
Financing activities		
Proceeds from bank borrowings	9,500	5,000
Repayment of bank borrowings	(11,948)	(15,702)
Repayment of bullion loans	—	(2,921)
Increase in bills payable	759	1,968
Repayment of finance lease obligations	(4,324)	(4,445)
New pledged fixed deposits with banks	(11)	—
Net cash used in financing activities	(6,024)	(16,100)
Net (decrease) / increase in cash and cash equivalents	(4,083)	1,692
Net effect of exchange rates changes on the cash balance held in foreign currencies	44	(103)
Cash and cash equivalents at beginning of the financial year	12,746	11,157
Cash and cash equivalents at end of the financial year	8,707	12,746

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	11,229	15,243
Fixed deposits pledged with banks	(2,522)	(2,497)
Cash and cash equivalents	8,707	12,746

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For the Second Half Year ("2H 2022") and Full Year Ended 30 June 2022
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 year	–	–	–	–	5,880	(3)	5,877
Other comprehensive loss							
Foreign currency translation	–	–	–	14	–	1	15
Total comprehensive income	–	–	–	14	5,880	(2)	5,892
As at 30 June 2022	96,719	(64,502)	(698)	733	78,255	33	110,540

	Share capital	Merger reserve	Treasury shares	Foreign currency translation reserve	Retained earnings	Non-controlling interest	Total equity
Group (Audited)	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 year	–	–	–	–	2,417	–	2,417
Other comprehensive income							
Foreign currency translation	–	–	–	(19)	–	(11)	(30)
Total comprehensive income	–	–	–	(19)	2,417	(11)	2,387
As at 30 June 2021	96,719	(64,502)	(698)	719	72,375	35	104,648

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Unaudited Condensed Interim Financial Statements**For the Second Half Year ("2H 2022") and Full Year Ended 30 June 2022****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 year	–	–	(346)	(346)
Total comprehensive income	–	–	(346)	(346)
Balance as at 30 June 2022	96,719	(698)	(158)	95,863

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 year	–	–	(339)	(339)
Total comprehensive income	–	–	(339)	(339)
Balance as at 30 June 2021	96,719	(698)	188	96,209

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 full year ended 30 June 2022 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 the sixth months and twelve months ended 30 June 2022 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 year.

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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)	As at 30 June 2022					
S\$'000	Exhibition	Retail	Financial services	Unallocated	Elimination	Total
Segment revenue :						
External Sales	41,701	59,699	2,870	–	–	104,270
Intersegment sales	–	2,493	1,533	–	(4,026)	–
Total Revenue	41,701	62,192	4,403	–	(4,026)	104,270
Results :						
Segment results	9,046	3,387	923	–		13,356
Unallocated expenses (net)	–	–	–	(5,663)		(5,663)
Finance costs	(2)	(151)	(191)	(374)		(718)
Share of profit from associate	–	62	–	–		62
Profit before tax	9,044	3,298	732	(6,037)		7,037
Income tax expense	–	–	–	(1,160)		(1,160)
Profit after tax	9,044	3,298	732	(7,197)		5,877
Segment assets & liabilities						
Segment assets	63,057	74,579	31,907	1,288		170,831
Segment liabilities	20,255	22,199	16,728	1,109		60,291
Other segmental information:						
Depreciation of property, plant & equipment	175	635	86	–		896
Capital expenditure	31	235	30	–		296
Investment in associate	–	6,317	–	–		6,317
Non-current assets	5,761	16,957	465	452		23,635

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) S\$'000	As at 30 June 2021					Total
	Exhibition	Retail	Financial services	Unallocated	Elimination	
Segment revenue :						
External Sales	25,603	68,229	3,001	—	—	96,833
Intersegment sales	—	1,668	1,162	—	(2,830)	—
Total Revenue	25,603	69,897	4,163	—	(2,830)	96,833
Results :						
Segment results	4,855	3,675	1,016	—	—	9,546
Unallocated expenses (net)	—	—	—	(5,442)	—	(5,442)
Finance costs	(2)	(260)	(237)	(401)	—	(900)
Share of loss from associates	—	(281)	—	—	—	(281)
Profit before tax	4,853	3,134	779	(5,843)	—	2,923
Income tax expense	—	—	—	(506)	—	(506)
Profit after tax	4,853	3,134	779	(6,349)	—	2,417
Segment assets & liabilities						
Segment assets	47,174	78,006	36,342	1,679	—	163,201
Segment liabilities	14,653	31,546	12,011	343	—	58,553
Other segmental information:						
Depreciation of property, plant & equipment	165	776	89	—	—	1,030
Capital expenditure	73	12	28	—	—	113
Investment in associates	—	6,255	—	—	—	6,255
Non-current assets	3,340	17,511	518	508	—	21,877

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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	–	1,346	1,346
Modification	5,960	–	5,960
Disposals	(538)	(884)	(1,422)
Translation differences	3	–	3
At 30 Jun 2022	<u>17,956</u>	<u>1,811</u>	<u>19,767</u>
Accumulated depreciation:			
At 1 Jul 2021	8,444	673	9,117
Charge for the year	4,091	162	4,253
Disposals	(538)	(523)	(1,061)
Translation differences	2	–	2
At 30 Jun 2022	<u>11,999</u>	<u>312</u>	<u>12,311</u>
Carrying value:			
At 30 Jun 2022	<u>5,957</u>	<u>1,499</u>	<u>7,456</u>
At 30 Jun 2021	<u>4,087</u>	<u>676</u>	<u>4,763</u>

E7. Property, plant and equipment**(i) Loss on disposal of property, plant and equipment**

During the financial year, the Group disposed property, plant and equipment with a carrying amount of \$98,000 (June 2021: \$38,000). Cash proceeds of \$117,000 (June 2021: \$25,000) were received on disposal of the property, plant and equipment.

(ii) Purchase of property, plant and equipment

During the financial year, the Group acquired property, plant and equipment of \$296,000 (June 2021: \$113,000).

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	Group	
	30.06.2022	30.06.2021
	S\$'000	S\$'000
Cost		
At the beginning and end of year	1,408	1,408
Accumulated amortisation		
At beginning of the year	1,021	880
Charge for the year	141	141
At end of the year	1,162	1,021
Net carrying value		
At end of the year	246	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	
	30.06.2022	30.06.2021
	S\$'000	S\$'000
Balance sheet:		
Finished goods and goods for resale, at cost	48,991	42,570
Raw materials, at cost	34,183	29,124
Less: Allowance for obsolete inventories	(2)	(2)
Total inventories at lower of cost and net realisable value	83,172	71,692
Consolidated statement of comprehensive income:		
Inventories recognised as an expense in cost of sales	76,852	74,892

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	Group		Company	
	30.06.2022 S\$'000	30.06.2021 S\$'000	30.06.2022 S\$'000	30.06.2021 S\$'000
Non-current				
Rental deposits	495	598	–	–
Current				
Trade receivables:				
Third parties	50,172	51,973	–	–
Other receivables:				
Third parties	1,525	1,407	1	1
Deposits	710	538	–	–
Advances to suppliers	289	401	–	–
Amount due from subsidiaries	–	–	12,970	13,050
	2,524	2,346	12,971	13,051
Total current receivables	52,696	54,319	12,971	13,051
Total trade and other receivables	53,191	54,917	12,971	13,051
Add/(less):				
Advances to suppliers	(289)	(401)	–	–
Cash and cash equivalents	11,229	15,243	832	1,171
GST receivable	(650)	(6)	(1)	(1)
Grant receivable	–	(195)	–	–
Total financial assets carried at amortised cost	63,481	69,558	13,802	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	
	30.06.2022 S\$'000	30.06.2021 S\$'000
United States Dollars	18,292	17,247
Hong Kong Dollars	472	1,080

Expected credit losses

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

	30.06.2022 S\$'000	30.06.2021 S\$'000
Movement in allowance accounts:		
At beginning of year	6,833	7,701
Charge/(reversal) for the year	156	(505)
Write-back	(52)	(34)
Exchange differences	174	(329)
At end of year	7,111	6,833

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E11. Loans and borrowings

	Group	
	30.06.2022	30.06.2021
	S\$'000	S\$'000
Current		
Bills payable	3,439	2,598
Revolving loans	14,500	10,500
Floating rate term loans	675	4,516
Fixed rate term loans	2,439	1,821
	21,053	19,435
Non-current		
Floating rate term loans	4,225	4,892
Fixed rate term loans	5,619	8,177
	9,844	13,069
Total loans and borrowings	30,897	32,504

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

Bills payable bears an interest rate of 2.69% (30 June 2021: 1.69%) per annum and are repayable within 120 days (30 June 2021: 120 days). Bills payable are denominated in United States Dollars.

Revolving loans bear interest at rates ranging from 1.62% to 3.00% (30 June 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 2.85% (30 June 2021: 1.50% to 2.00%) per annum. The loans mature between 0.2 to 21 (30 June 2021: 1 to 22) years as at 30 June 2022. Floating rate term loans amounting to \$4,385,000 (30 June 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% (30 June 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 \$14,500,000 (30 June 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

	30.06.2022		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	10,176	10,877	14,124	5,311
Amount repayable after one year	4,225	5,619	4,892	8,177
	14,401	16,496	19,016	13,488

Details of any collateral:

1. Bank borrowings of \$4.38 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 \$0.5 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 \$14.5 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	
	30.06.2022 S\$'000	30.06.2021 S\$'000	30.06.2022 S\$'000	30.06.2021 S\$'000
Non-current				
Provision for reinstatement cost	170	208	–	–
Current				
Trade payables:				
Third parties	17,061	15,272	–	–
Associates	1,334	3,199	–	–
	18,395	18,471	–	–
Other payables:				
Third parties	60	673	9	–
Accrued expenses	2,774	2,004	9	89
Provision for reinstatement cost	105	78	–	–
Total current trade and other payables	21,334	21,226	18	89
Total trade and other payables	21,504	21,434	18	89
Add/(less):				
Loans and borrowings	30,897	32,504	–	–
Lease liabilities	6,781	4,359	–	–
GST payable	(11)	(149)	–	–
Provision for reinstatement cost	(275)	(286)	–	–
Deferred grant income	–	(390)	–	–
Total financial liabilities at amortised cost	58,896	57,472	18	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	
	30.06.2022 S\$'000	30.06.2021 S\$'000
United States Dollars	18,089	18,551
Hong Kong Dollars	19	203

E13. Other operating income

	Group			
	6 Months Ended 30 June 2022 S\$'000	6 Months Ended 30 June 2021 S\$'000	12 Months Ended 30 June 2022 S\$'000	12 Months Ended 30 June 2021 S\$'000
Government grants	875	720	1,589	1,483
Sundry income	123	41	223	102
Rental income	1	–	1	–
Rent rebate	–	25	45	242
	999	786	1,858	1,827

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The major components of income tax expense for the financial year/period ended are:

	Group			
	6 Months Ended 30 June 2022 S\$'000	6 Months Ended 30 June 2021 S\$'000	12 Months Ended 30 June 2022 S\$'000	12 Months Ended 30 June 2021 S\$'000
Statement of comprehensive income:				
<i>Current income tax</i>				
Current year/period	1,078	100	1,111	262
Over-provision in previous years/periods	(8)	(89)	(5)	(89)
<i>Deferred income tax</i>				
Current year/period	23	333	23	333
Under-provision in previous years/periods	31	–	31	–
	1,124	344	1,160	506

E15. 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			
	6 months ended 30 June 2022 S\$'000	6 months ended 30 June 2021 S\$'000	12 months ended 30 June 2022 S\$'000	12 months ended 30 June 2021 S\$'000
Interest income from financial services	1,397	1,532	2,870	3,001
(Impairment loss)/ reversal of impairment loss on trade receivables	24	639	(104)	539
Bad debts written off	(80)	–	(141)	(88)
Net fair value gain/(loss) on bullion loans designated as financial liabilities at fair value through profit or loss	–	134	–	134
Net foreign currency exchange gain/ (loss)	(14)	109	57	(86)
Interest expense on bank borrowings	(292)	(339)	(567)	(681)
Depreciation of right-of-use assets	(2,083)	(2,212)	(4,253)	(4,435)
Depreciation of property, plant and equipment	(423)	(514)	(896)	(1,030)
Amortisation of trademark	(71)	(71)	(141)	(141)

E16. 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 2022	559,406,000	96,021
As at 30 June 2021	559,406,000	96,021

The Company did not have any subsidiary holding, outstanding options or convertibles as at 30 June 2022 and 30 June 2021.

	30.06.2022	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 30 June 2022 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

	30.06.2022	30.06.2021
Total number of issued shares excluding treasury shares	559,406,000	559,406,000

E17. Subsequent events

The Company's wholly owned subsidiary, Equity Fintech Pte. Ltd. ("**Equity Fintech**") had, on 18 August 2022, entered into (i) a shareholders' agreement and (ii) a share subscription agreement (the "**Subscription**") to subscribe for 1,320,000 ("**Shares**") in Surrey Hills Holdings (Private Limited) ("**Surrey Hills**") for a cash consideration of S\$1,760,000.

Following the completion of the Subscription, the issued and paid-up capital of Surrey Hills is S\$3,000,000 comprising 2,400,000 ordinary shares. Equity Fintech owns 55% equity interest in Surrey Hills with the remaining 45% being owned by the other individual shareholders.

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 the current financial year ended 30 June 2022 as those of the audited financial statements for the year ended 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 6 months ended 30 June 2022	Unaudited 6 months ended 30 June 2021	Unaudited 12 months ended 30 June 2022	Audited 12 months ended 30 June 2021
Profit attributable to owners of the Company (S\$'000)	4,000	814	5,880	2,417
Weighted average number of ordinary shares for the purposes of basic earnings per share and diluted earnings per share (S\$'000)	559,406	559,406	559,406	559,406
Basic and diluted earnings per share (Singapore cents) ¹	0.34	0.15	1.05	0.43

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	
	30.06.2022 Unaudited	30.06.2021 Audited	30.06.2022 Unaudited	30.06.2021 Audited
Net asset value per ordinary share (Singapore cents)	19.76	18.71	17.14	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 30 June 2022 were calculated based on the total issued number of ordinary shares (excluding treasury shares) of 559,406,000 (30 June 2021: 559,406,000).

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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		Change
	FY 2022	FY 2021	
	12 months	12 months	
	(Unaudited)	(Audited)	
	S\$'000	S\$'000	%
Retail business	59,699	68,229	(13)
Financial Services	2,870	3,001	(4)
Wholesale and exhibition business	41,701	25,603	63
Total	104,270	96,833	8

The Group recorded an increase in revenue by 8% from \$96.8 million in FY2021 to \$104.3 million in FY2022. The higher revenue was mainly attributed to increase in international trade fair sales, as a result of the further easing of the international COVID-19 travel restrictions around the world.

Revenue for the wholesale and exhibition business increased 63% from \$25.6 million in FY2021 to \$41.7 million in FY2022, mainly attributable to higher sales as the Group resumed participation in international jewellery exhibitions.

Revenue for retail business decreased by 13% from \$68.2 million in FY2021 to \$59.7 million in FY2022. The decline was attributed to the reduction in the sales contribution of gold products as a result of gold price fluctuations and adjustment of marketing strategies post COVID-19.

Revenue for the financial services business remained consistent at approximately at \$3.0 million level.

Gross profit and gross profit margin

Gross profit increased by \$5.5 million or 25% to \$76.9 million in FY2022. Gross margin increased from 22.7% in FY2021 to 26.3% in FY 2022 due to the change of sales mix.

Other operating income

Other operating income was \$1.9 million in FY2022 as compared to \$1.8 million in FY2021, an increase of \$0.1 million. In FY2022, the government grant income include the Jobs Support Scheme and Rental Support Scheme received from the government.

Distribution costs

Distribution costs was \$15.6 million in FY2022 as compared to \$15.0 million in FY2021, an increase by approximately \$0.6 million, or 4%, which is mainly due to increase in exhibitions related expenses and higher staff related costs in tandem to the increase in revenue.

Administrative expenses

Administrative expenses was \$5.7 million in FY 2022 as compared to \$4.9 million an increase of 15% due to the higher staff related costs as a result of better operating performance.

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Unaudited Condensed Interim Financial Statements**For the Second Half Year ("2H 2022") and Full Year Ended 30 June 2022****Review of the Income Statement of the Group (cont'd)****Share of results of associate**

The Group registered share of profit of associate of \$0.01 million in FY2022 which relates to the financial performance of the Group's 50% investment in Globe Diamonds Singapore Pte Ltd. The marginal profit was attributable to the higher business activities in FY2022 as compared to FY2021.

Finance costs

Finance costs decreased by approximately \$0.2 million or 20% to \$0.7 million in FY2022. This was mainly due to lower utilization of bank facilities during the financial year.

Profit before tax

The Group registered a profit before tax of \$7.0 million for FY2022 which represents a 141% increase from \$2.9 million profit in FY2021 mainly due to improved gross margins.

Income tax expense

The Group recorded income tax expense of \$1.16 million in FY2022, an increase of \$0.7 million or 129% primarily due to higher profit before income tax recorded by the Group.

Review of the Financial Position of the Group**Non-current assets**

Non-current assets increased by approximately \$1.8 million or 8% from \$21.9 million as at 30 June 2021 to \$23.6 million as at 30 June 2022. This was mainly due to the additions to rights-of-use assets and property, plant and equipment. Outlet retail leases represented the majority of right-of-use assets.

Current assets

Current assets increased by approximately \$5.9 million or 4.2% from \$141.3 million as at 30 June 2021 to \$147.2 million as at 30 June 2022. This was attributable to the reduction in trade and other receivables of \$1.6 million from the collection of the exhibition receivables and offset by increase in inventories of \$11.5 million as a result of higher level of raw materials and finished goods holdings in preparation for the upcoming exhibitions.

Current liabilities

Current liabilities increased by approximately \$2.2 million or 4.9% from \$44.3 million as at 30 June 2021 to \$46.5 million as at 30 June 2022 due to the increase in short term bank borrowings of \$1.6 million.

Non-current liabilities

Non-current liabilities decreased by approximately \$0.4 million or 3% from \$14.2 million as at 30 June 2021 to \$13.8 million as at 30 June 2022 mainly due to the repayment of bank borrowings of \$3.2 million.

Working capital

The Group has a positive working capital of approximately \$100.7 million as at 30 June 2022 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 \$4.0 million as at 30 June 2021 as compared to 30 June 2022.

Net cash generated from operating activities

In FY2022, the Group recorded a net cash generated from operating activities of \$2.3 million which was a net result of operating cash flow before working capital changes of \$13.2 million, adjusted for working capital outflow of \$9.9 million, interest paid of \$0.7 million and net income tax paid of \$0.3 million.

The net working capital outflow of \$9.9 million was mainly due to the following:

- (a) Increase in trade and other payables of \$0.7 million;
- (b) Decrease in trade and other receivables and prepayment of \$0.9 million; and
- (c) Increase in inventories of \$11.5 million.

Net cash used in financing activities

Net cash used in financing activities amounted to \$6.0 million in FY2022 mainly attributable to net repayment of bank borrowings of \$11.9 million and the payment of lease liabilities of \$4.3 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.

Recovery in air travel is strengthening as governments in many parts of the world lifted travel restrictions. Looking ahead, the easing of COVID-19 measures and border restrictions is expected to improve cross border trade and tourist arrivals in the region. This will bode well for the retail business and the Group also expects resumption of international trade shows to boost its exhibition business as international demand for our jewellery products continue to normalize.

Due to inflationary pressures and supply chain disruptions from the geopolitical conflict and the prospect of higher interest rate adjustments, the Group expects the overall business environment to be challenging.

Notwithstanding the expected challenging business environment and uptrend of operating costs, the Group is cautiously optimistic that our business profitability will remain healthy with the increase in overall business activities across the respective business segments. The Group will strive to maintain a healthy cashflow position and explore new investment opportunities and new product initiatives to deliver sustainable value to its stakeholders.

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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.

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 final dividend has been declared/recommended for the financial year ended 30 June 2022 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. Breakdown of Group's revenue and profit/(loss) after tax for first half year and second half year

	FY 2022 S\$'000	FY 2021 S\$'000	Increase/ (Decrease) %
Sales reported from 1 July to 31 December 2021 (first half)	45,321	44,196	3
Operating profit after tax reported from 1 July to 31 December 2021 (first half)	1,869	1,574	19
Sales reported from 1 January to 30 June 2022 (second half)	58,949	52,637	12
Operating profit/(loss) after tax reported 1 January to 30 June 2022 (second half)	4,008	843	375

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F15. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

	FY 2022 S\$'000	FY 2021 S\$'000
Interim	-	-
Final	-	-
Total	-	-

F16. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704 (10)

Name	Age	Family relationship with any director, CEO and/or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year
Macvis Teo	37	Daughter of Michael Teo Boon Leng, Managing Director of the Company	Business Manager since 2011. Her major duties include the procurement of raw materials, overseeing the operations, sales and administrative functions of financial services.	No change during the year

F17. 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.

F18. Disclosures on Acquisition and Realisation of Shares pursuant to Catalist Rule 706A

On 5 January 2022, the Company incorporated The Diamond Garden Pte. Ltd., a wholly owned subsidiary held through Equity Fintech. The principal activities of the entity are those relating to retail and wholesale of jewellery, and has a paid-up share capital of S\$100 comprising of 100 ordinary shares.

Save as disclosed above, the Company did not incorporate, acquire or dispose any other direct and indirect subsidiaries and associates during the financial year ended 30 June 2022.

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BY ORDER OF THE BOARD

Taka Jewellery Holdings Limited

Teo Boon Leng
Managing Director

Ang Kah Leong
Executive Director

24 August 2022