

TAKA JEWELLERY HOLDINGS LIMITED

Company Registration No. 201526542C

**Unaudited Interim Condensed Financial Statements
For the Six Months Ended 31 December 2023 ("1H2024")**

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Unaudited Interim Condensed Financial Statements
For the Six Months Ended 31 December 2023 ("1H2024")

A. Condensed interim consolidated statement of comprehensive income

	Group		Change
	Unaudited 1H2024 6 months ended 31 Dec 2023 S\$'000	Unaudited 1H2023 6 months ended 31 Dec 2022 S\$'000	
Revenue	70,580	71,699	(2)
Cost of sales	(50,237)	(50,488)	0
Gross profit	<u>20,343</u>	<u>21,211</u>	(4)
Other operating income	88	131	(33)
Selling and distribution expenses	(9,886)	(11,162)	(11)
Administrative expenses	(2,794)	(3,337)	(16)
Other operating expenses	(314)	(119)	164
Reversal of impairment loss on trade receivables	68	281	(76)
Share of profit of associate	142	1,040	(86)
Finance costs	(1,383)	(868)	59
Profit before tax	<u>6,264</u>	<u>7,177</u>	(13)
Income tax expense	(866)	(1,017)	(15)
Profit after tax	<u>5,398</u>	<u>6,160</u>	(12)
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation	(36)	5	Nm
Total comprehensive income for the period	<u>5,362</u>	<u>6,165</u>	(13)
Profit after tax attributable to:			
Owners of the Company	5,399	6,277	(14)
Non-controlling interests	(1)	(117)	Nm
	<u>5,398</u>	<u>6,160</u>	(12)
Total comprehensive income for the period attributable to			
Owners of the Company	5,363	5,064	6
Non-controlling interests	(1)	1,101	Nm
	<u>5,362</u>	<u>6,165</u>	(13)
Earnings per share attribute to owners of the company (cents per share)			
Basic and Diluted	<u>0.96</u>	<u>0.91</u>	

Nm – not meaningful

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**Unaudited Financial Statements and Dividend Announcement
For the Six Months Ended 31 December 2023 ("1H2024")**

B. Condensed interim consolidated statement of financial position

	Group		Company	
	31.12.2023 Unaudited S\$'000	30.06.2023 Audited S\$'000	31.12.2023 Unaudited S\$'000	30.06.2023 Audited S\$'000
<u>ASSETS</u>				
Non-current assets				
Investment in subsidiaries	–	–	82,076	82,076
Investment in associate	8,037	7,896	–	–
Right of use assets	8,101	8,054	–	–
Property, plant and equipment	9,560	9,320	–	–
Trademarks	34	105	–	–
Other receivables	739	664	–	–
Deferred tax assets	200	200	–	–
	26,671	26,239	82,076	82,076
Current assets				
Inventories	102,070	105,009	–	–
Trade and other receivables	61,474	51,786	13,704	13,644
Prepayments	170	114	–	2
Cash and bank balances	14,457	11,008	443	759
	178,171	167,917	14,147	14,405
Total assets	204,842	194,156	96,223	96,481
<u>LIABILITIES</u>				
Current liabilities				
Bank borrowings	31,034	24,290	–	–
Bullion Loans	6,721	3,728	–	–
Trade and other payables	20,025	23,741	53	74
Lease liabilities	3,321	3,483	–	–
Income tax payable	1,627	1,864	–	–
	62,728	57,106	53	74
NET CURRENT ASSETS	115,443	110,811	14,094	14,331
Non-current liabilities				
Bank borrowings	12,667	13,311	–	–
Lease liabilities	4,448	4,114	–	–
Deferred tax liabilities	–	–	–	–
Provision for reinstatement	144	132	–	–
	17,259	17,557	–	–
Total liabilities	79,987	74,663	53	74
NET ASSETS	124,855	119,493	96,170	96,407

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**Unaudited Financial Statements and Dividend Announcement
For the Six Months Ended 31 December 2023 ("1H2024")****B. Condensed interim consolidated statement of financial position (cont'd)**

	Group		Company	
	31.12.2023	30.06.2023	31.12.2023	30.06.2023
	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	682	718	–	–
Retained earnings	92,655	87,256	149	386
Equity attributable to equity holders	124,856	119,493	96,170	96,407
Non-controlling interest	(1)	–	–	–
Total Equity	124,855	119,493	96,170	96,407

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**Unaudited Financial Statements and Dividend Announcement
For the Six Months Ended 31 December 2023 ("1H2024")****C. Condensed interim consolidated statement of cash flows**

	Unaudited 1H2024 S\$'000	Unaudited 1H2023 S\$'000
Operating activities		
Profit before tax	6,264	7,177
Adjustments for:		
Depreciation of property, plant and equipment	359	447
Depreciation of right-of-use assets	1,962	2,248
Amortisation of trademark	71	70
Finance costs	1,383	868
Share of profit of associate	(142)	(1,040)
Reversal of impairment loss on trade receivables	(68)	(281)
Fair value loss on bullion loans	164	120
Unrealised exchange loss	188	21
Bad debt written off	49	33
Gain on disposal of property, plant and equipment and right-of-use assets	–	(171)
Loss on write-off of property, plant and equipment	8	–
Operating cash flows before movements in working capital	10,238	9,492
Increase in trade and other receivables and prepayments	(10,613)	(2,462)
Decrease/ (increase) in inventories	2,939	(12,803)
(Decrease) / increase in trade and other payables	(3,565)	1,230
Cash used in operations	(1,001)	(4,543)
Income tax paid, net	(1,103)	(490)
Net cash used in operating activities	(2,104)	(5,033)
Investing activities		
Acquisition of subsidiary, net of cash acquired (see Note A)	–	714
Proceeds from disposal of property, plant and equipment and right-of-use assets	–	317
Amount due from third party for disposal of subsidiary	440	–
Purchase of property, plant and equipment	(554)	(2,126)
Net cash used in investing activities	(114)	(1,095)
Financing activities		
Proceeds from bank borrowings	14,000	12,000
Repayment of bank borrowings	(7,900)	(4,133)
Proceeds from new bullion loan	15,068	3,849
Repayment of bullion loans	(12,239)	–
Decrease in bills payable	–	(1,460)
Repayment of finance lease obligations	(1,889)	(2,188)
New pledged fixed deposits with banks	–	(100)
Interest paid	(1,383)	(868)
Net cash generated from financing activities	5,657	7,100
Net increase in cash and cash equivalents	3,439	972
Net effect of exchange rates changes on the cash balance held in foreign currencies	15	(9)
Cash and cash equivalents at beginning of the financial period	8,389	8,707
Cash and cash equivalents at end of the financial period	11,843	9,670

Note to statement of cash flows:

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

Cash and bank balances	14,457	12,288
Fixed deposits pledged with banks	(2,614)	(2,618)
Cash and cash equivalents	11,843	9,670

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Unaudited Financial Statements and Dividend Announcement

For the Six Months Ended 31 December 2023 ("1H2024")

Note A

Summary of The Effects of The Acquisition of Subsidiary in 1H2023

	Fair value recognised on acquisition S\$'000
Property, plant and equipment	395
Right of use assets	239
Inventories	216
Cash and cash equivalents	2,474
Trade and other receivables	256
Total assets	3,580
Trade and other payables (CL)	(562)
Lease Liabilities (CL)	(198)
Lease Liabilities (NCL)	(113)
Total liabilities	(873)
Total identifiable net assets at fair value	2,707
Non-controlling interest (45% of net assets)	(1,218)
Goodwill arising from acquisition	271
Purchase consideration transferred	1,760
	Cash flow on acquisition S\$'000
Net cash acquired with the subsidiary	2,474
Cash paid	(1,760)
Net cash flow on acquisition	714

The Company's wholly owned subsidiary, Equity Fintech Pte. Ltd. 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 (representing 55% equity interest) in Surrey Hills Holdings (Private Limited) ("Surrey Hills") for a cash consideration of \$1,760,000. The net asset value of the 55% equity interest in Surrey Hills was \$1.5 million and goodwill arising from acquisition was \$0.3 million.

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Condensed Interim Financial Statements
For the Six Month Ended 31 December 2023 ("1H2024")
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 2023	96,719	(64,502)	(698)	718	87,256	–	119,493
Profit for the financial period	–	–	–	–	5,399	(1)	5,398
Other comprehensive income							
Foreign currency translation	–	–	–	(36)	–	–	(36)
Total comprehensive income	–	–	–	(36)	5,399	(1)	5,362
As at 31 December 2023	96,719	(64,502)	(698)	682	92,655	(1)	124,855

	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 2022	96,719	(64,502)	(698)	733	78,255	33	110,540
Profit for the financial period	–	–	–	–	6,277	(117)	6,160
Other comprehensive income							
Foreign currency translation	–	–	–	5	–	–	5
Total comprehensive income	–	–	–	5	6,277	(117)	6,165
Non-controlling interest arising on a business combination	–	–	–	–	–	1,218	1,218
As at 31 December 2022	96,719	(64,502)	(698)	738	84,532	1,134	117,923

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Condensed Interim Financial Statements**For the Six Month Ended 31 December 2023 ("1H2024")****D. Condensed interim consolidated statement of changes in equity (cont'd)**

Company (Unaudited)	Share Capital	Treasury shares	Retained earnings	Total Equity
	S\$'000	S\$'000	S\$'000	S\$'000
Balance as at 1 July 2023	96,719	(698)	386	96,407
Loss for the financial period	–	–	(237)	(237)
Total comprehensive income	–	–	(237)	(237)
Balance as at 31 December 2023	96,719	(698)	149	96,170

Company (Unaudited)	Share Capital	Treasury shares	Accumulated losses	Total Equity
	S\$'000	S\$'000	S\$'000	S\$'000
Balance as at 1 July 2022	96,719	(698)	(158)	95,863
Loss for the financial period	–	–	(215)	(215)
Total comprehensive income	–	–	(215)	(215)
Balance as at 31 December 2022	96,719	(698)	(373)	95,648

E. Notes to the condensed interim consolidated financial statements

E1. Corporate Information

Taka Jewellery 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 2023 (“1H2024”) 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 1H2024 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 2023. 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 2023, 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.

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 2023. 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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Condensed Interim Financial Statements**For the Six Month Ended 31 December 2023 ("1H2024")**

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	1H2024					
	Wholesale & Exhibition	Retail	Financial services	Unallocated	Elimination	Total
Segment revenue :						
External sales	27,078	41,635	1,867	–	–	70,580
Intersegment sales	–	864	526	–	(1,390)	–
Total revenue	27,078	42,499	2,393	–	(1,390)	70,580
Results :						
Segment results	6,868	3,366	961	–	–	11,195
Unallocated expenses (net)	–	–	–	(3,690)	–	(3,690)
Finance costs	–	(144)	(412)	(827)	–	(1,383)
Share of profit from associate	–	–	–	142	–	142
Profit before tax	6,868	3,222	549	(4,375)	–	6,264
Income tax expense	–	–	–	(866)	–	(866)
Profit after tax	6,868	3,222	549	(5,241)	–	5,398
Segment assets & liabilities						
Segment assets	73,614	88,431	42,154	643	–	204,842
Segment liabilities	27,701	25,957	24,702	1,627	–	79,987
Other segmental information:						
Depreciation of property, plant & equipment	104	220	35	–	–	359
Capital expenditure	104	272	8	170	–	554
Investment in associate	–	–	–	8,037	–	8,037
Non-current assets	7,014	19,006	451	200	–	26,671

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

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For the Six Month Ended 31 December 2023 ("1H2024")

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	1H2023					
	Wholesale & Exhibition	Retail	Financial services	Unallocated	Elimination	Total
Segment revenue :						
External sales	28,859	41,161	1,679	–	–	71,699
Intersegment sales	–	503	542	–	(1,045)	–
Total revenue	28,859	41,664	2,221	–	(1,045)	71,699
Results :						
Segment results	5,796	4,173	929	–	–	10,898
Unallocated expenses (net)	–	–	–	(3,893)	–	(3,893)
Finance costs	(1)	(173)	(283)	(411)	–	(868)
Share of loss from associates	–	–	–	1,040	–	1,040
Profit before tax	5,795	4,000	646	(3,264)	–	7,177
Income tax expense	–	–	–	(1,017)	–	(1,017)
Profit after tax	5,795	4,000	646	(4,281)	–	6,160
Segment assets & liabilities						
Segment assets	71,309	82,214	38,732	714	–	192,969
Segment liabilities	27,005	18,881	27,524	1,636	–	75,046
Other segmental information:						
Depreciation of property, plant & equipment	99	296	52	–	–	447
Capital expenditure	459	1,618	49	–	–	2,126
Investment in associates	–	7,357	–	–	–	7,357
Non-current assets	6,948	20,962	797	452	–	29,159

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Condensed Interim Financial Statements**For the Six Month Ended 31 December 2023 ("1H2024")****E6. Right of use assets**

Group	Retail & Office Premises S\$'000	Motor Vehicles S\$'000	Total S\$'000
Costs:			
At 1 Jul 2023	22,538	1,528	24,066
Additions	950	–	950
Modification	1,112	–	1,112
Disposals	(2,096)	–	(2,096)
Translation	(2)	–	(2)
Reclass ROUA to PPE	–	(182)	(182)
At 31 Dec 2023	<u>22,502</u>	<u>1,346</u>	<u>23,848</u>
Accumulated depreciation:			
At 1 Jul 2023	15,677	335	16,012
Charge for the period	1,895	67	1,962
Disposals	(2,096)	–	(2,096)
Translation	(2)	–	(2)
Reclass ROUA to PPE	–	(129)	(129)
At 31 Dec 2023	<u>15,474</u>	<u>273</u>	<u>15,747</u>
Carrying value:			
At 31 Dec 2023	<u>7,028</u>	<u>1,073</u>	<u>8,101</u>
At 30 Jun 2023	<u>6,861</u>	<u>1,193</u>	<u>8,054</u>

E7. Property, plant and equipment

(i) Disposal of property, plant and equipment

During the financial period, the Group disposed of property, plant and equipment with a carrying amount of \$Nil (December 2022: \$5,000). Cash proceeds of \$Nil (December 2022: \$153,000) 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 \$554,000 (December 2022: \$2.1 million).

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Condensed Interim Financial Statements**For the Six Month Ended 31 December 2023 ("1H2024")****E8. Trademarks**

	Group	
	31.12.2023	30.06.2023
	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	1,303	1,162
Charge for the period/ year	71	141
At end of the period/ year	1,374	1,303
Net carrying value		
At end of the period/ year	34	105

Trademarks relate to the "Taka Jewellery" trademarks. The remaining useful life of these trademarks is within 1 year (2023: 1 year).

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

E9. Inventories

	Group	
	31.12.2023	30.06.2023
	S\$'000	S\$'000
Balance sheet:		
Finished goods and goods for resale, at cost	74,783	73,287
Raw materials, at cost	27,297	31,724
Less: Allowance for obsolete inventories	(2)	(2)
Total inventories at lower of cost and net realisable value	102,078	105,009
	31.12.2023	31.12.2022
	S\$'000	S\$'000
Consolidated statement of comprehensive income:		
Inventories recognised as an expense in cost of sales	50,237	50,488

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Condensed Interim Financial Statements**For the Six Month Ended 31 December 2023 ("1H2024")****E10. Trade and other receivables**

	Group		Company	
	31.12.2023 S\$'000	30.06.2023 S\$'000	31.12.2023 S\$'000	30.06.2023 S\$'000
Non-current				
Rental deposits	739	664	–	–
Current				
Trade receivables:				
Third parties	59,859	49,909	–	–
Other receivables:				
Third parties	507	935	1	1
Deposits	512	595	–	–
Advances to suppliers	596	347	–	–
Amount due from subsidiary	–	–	13,703	13,643
	1,615	1,877	13,704	13,644
Total current receivables	61,474	51,786	13,704	13,644
Total trade and other receivables	62,213	52,450	13,704	13,644
Add/(less):				
Advances to suppliers	(596)	(347)	–	–
Cash and cash equivalents	14,457	11,008	443	759
GST receivable	–	–	(1)	(1)
Total financial assets carried at amortised cost	76,074	63,111	14,146	14,402

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	
	31.12.2023 S\$'000	30.06.2023 S\$'000
United States Dollars	20,063	12,542
Hong Kong Dollars	3,175	686

Expected credit losses

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

	31.12.2023 S\$'000	30.06.2023 S\$'000
Movement in allowance accounts:		
At beginning of year/ period	8,724	7,111
Charge for the period/ year	2	2,205
Write-back	(70)	(278)
Written off	(635)	(261)
Exchange differences	110	(53)
At end of period/ year	8,131	8,724

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Condensed Interim Financial Statements**For the Six Month Ended 31 December 2023 ("1H2024")****E11. Loans and borrowings**

	Group	
	31.12.2023	30.06.2023
	S\$'000	S\$'000
Current		
Revolving loans	24,050	18,050
Floating rate term loans	4,477	3,756
Fixed rate term loans	2,507	2,484
	31,034	24,290
Non-current		
Floating rate term loans	10,791	10,176
Fixed rate term loans	1,876	3,135
	12,667	13,311
Total loans and borrowings	43,701	37,601

Revolving loans, floating rate term loans and fixed rate term loans

Revolving loans bear interest at rates ranging from 4.9% to 5.57% (30 June 2023: 2.25% to 5.69%) 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 4.79% to 6.28% (30 June 2023: 2.27% to 6.18%) per annum. The loans mature over a period ranging from 2 to 20 years (30 June 2023: 2 to 20 years) as at 31 December 2023.

Fixed rate term loans bear interest at rate at 2.24 % to 3.75% (30 June 2023: 2.24% to 3.75%) per annum and are expected to be fully repaid by January 2026.

All bank borrowings are also secured by corporate guarantee from the Company.

Aggregate amount of group's borrowings and debt securities**Amount repayable in one year or less, or on demand**

	31.12.2023		30.06.2023	
	(Unaudited)		(Audited)	
	Secured	Unsecured	Secured	Unsecured
	S\$'000	S\$'000	S\$'000	S\$'000
Amount repayable in one year or less, or on demand	18,868	12,166	18,167	6,123
Amount repayable after one year	9,920	2,747	8,970	4,341
	28,788	14,913	27,137	10,464

Details of any collateral:

1. Bank borrowings of \$4.20 million (30 June 2023: \$4.25 million) are secured by first mortgage over leasehold property owned by a subsidiary of the Group.
2. Term loans of \$9.54 million (30 June 2023: \$7.83 million) are secured by a subsidiary's pledge of fixed deposits amounting to about \$2.21 million (30 June 2023: \$2.21 million).
3. Short term bank loans of \$14.78 million (30 June 2023: \$13.90 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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Condensed Interim Financial Statements**For the Six Month Ended 31 December 2023 ("1H2024")****E12. Bullion Loans**

Bullion loans amounted to \$6.7 million as at 31 December 2023.

Bullion loans are quarterly revolving short-term loans and are borrowed to reduce the impact of fluctuation in gold prices on gold inventories. The amounts represent borrowing from bank and the amounts payable are pegged to gold prices and carry fixed interest rates at 3.2% per annum .

The fair value is a reasonable approximation of the carrying amount due to their short-term nature or that they are floating rate instruments that are frequently re-priced to market interest rates and gold prices.

E13. Trade and other payables

	Group		Company	
	31.12.2023 S\$'000	30.06.2023 S\$'000	31.12.2023 S\$'000	30.06.2023 S\$'000
Non-current				
Provision for reinstatement cost	144	132	–	–
Current				
Trade payables:				
Third parties	14,766	16,430	–	–
Associates	1,317	2,583	–	–
	16,083	19,013	–	–
Other payables:				
Third parties	1,462	1,015	8	9
Accrued expenses	2,357	3,581	46	65
Provision for reinstatement cost	123	132	–	–
Total current trade and other payables	20,025	23,741	54	74
Total trade and other payables	20,169	23,873	54	74
Add/(less):				
Loans and borrowings	43,701	37,601	–	–
Bullion Loans	6,721	3,728	–	–
Lease liabilities	7,769	7,597	–	–
GST payable	(462)	(552)	–	–
Provision for reinstatement cost	(267)	(264)	–	–
Deferred income	–	(80)	–	–
Total financial liabilities at amortised cost	77,631	71,903	54	74

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	
	31.12.2023 S\$'000	30.06.2023 S\$'000
United States Dollars	12,650	18,194
Hong Kong Dollars	27	24

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Condensed Interim Financial Statements**For the Six Month Ended 31 December 2023 ("1H2024")****E14. Other operating income**

	Group	
	1H2024 6 Months Ended 31 Dec 2023 S\$'000	1H2023 6 Months Ended 31 Dec 2022 S\$'000
Government grants	9	22
Sundry income	79	109
Rent rebate	–	–
	88	131

E15. Finance costs

	Group	
	1H2024 6 months ended 31 Dec 2023 S\$'000	1H2023 6 months ended 31 Dec 2022 S\$'000
Interest expense on:		
Bank loans	1,131	614
Bill payables	29	52
Bullion loans	73	26
Lease liabilities	150	176
	1,383	868

E16. Income tax expense**Major components of income expense**

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

	Group	
	1H2024 6 months ended 31 Dec 2023 S\$'000	1H2023 6 months ended 31 Dec 2022 S\$'000
Statement of comprehensive income:		
<i>Current income tax</i>		
Current period	(878)	(1,025)
Over provision in previous period	12	8
	(866)	(1,017)

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Condensed Interim Financial Statements**For the Six Month Ended 31 December 2023 ("1H2024")****E17. 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	
	1H2024	1H2023
	6 months	6 months
	ended	ended
	31 Dec 2023	31 Dec 2022
	S\$'000	S\$'000
Interest income from financial services	1,867	1,679
Reversal of impairment loss on trade receivables	68	281
Bad debts written off	(49)	(33)
Net fair value loss on bullion loans designated as financial liabilities as fair value through profit and loss	(164)	(120)
Net foreign currency exchange (loss)/ gain	185	(187)
Interest expense on bank borrowings	(1,160)	(666)
Depreciation of right-of-use assets	(1,962)	(2,248)
Depreciation of property, plant and equipment	(359)	(447)
Amortisation of trademark	(71)	(70)

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E18. 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 (excluding Treasury Shares)	Share capital (excluding Treasury Shares) (\$'000)
As at 30 June 2023	559,406,000	96,021
As at 31 December 2023	559,406,000	96,021

The Company did not have any subsidiary holding, outstanding options or convertibles as at 31 December 2023 and 31 December 2022.

	31.12.2023	30.06.2023
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 2023 and 30 June 2023 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

	31.12.2023	30.06.2023
Total number of issued shares excluding treasury shares	559,406,000	559,406,000

E19. 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 1H2024 as those of the most recent audited financial statements for the year ended and as at 30 June 2023.

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Condensed Interim Financial Statements**For the Six Month Ended 31 December 2023 ("1H2024")**

- 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 1H2024 6 months ended 31 Dec 2023	Unaudited 1H2023 6 months ended 31 Dec 2022
Profit attributable to owners of the Company (S\$'000)	5,363	5,064
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	0.96	0.91

Note:

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

- 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	
	31.12.2023 Unaudited	30.06.2023 Audited	31.12.2023 Unaudited	30.06.2023 Audited
Net asset value per ordinary share (Singapore cents)	22.32	21.36	17.19	17.23
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 2023 were calculated based on the total issued number of ordinary shares (excluding treasury shares) of 559,406,000 (30 June 2023: 559,406,000).

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Condensed Interim Financial Statements**For the Six Month Ended 31 December 2023 ("1H2024")**

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		
	1H2024 (Unaudited) S\$'000	1H2023 (Unaudited) S\$'000	Change %
Retail business	41,635	41,161	1.2
Financial Services	1,867	1,679	11.2
Wholesale and exhibition business	27,078	28,859	(6.2)
Total	70,580	71,699	(1.6)

The Group recorded a decrease in revenue of \$1.1 million mainly due to lower revenue from the wholesale and exhibition segment.

Revenue for retail business increased by \$0.4 million or 1.2% from \$41.2 million in 1H2023 to \$41.6 million in 1H2024.

Revenue for the financial services business increased by 11.2% from \$1.7 million to \$1.9 million due to higher interest income earned from the pawn broking and moneylending business segment.

Revenue for the wholesale and exhibition business decreased by \$1.8 million for 1H2024 or 6.2% lower than the corresponding period 1H2023. The drop was due to the reduced export sales to overseas customers.

Gross profit and gross profit margin

Gross profit margin decreased to 28.8% in 1H2024 as compared to 29.6% in 1H2023 due to change in product sales mix.

Other operating income

Other operating income was \$88,000 in 1H2024 as compared to \$131,000 in 1H2023, a decrease of \$43,000. The decrease was attributable to the lower government grant received in 1H2024 as compared to 1H2023.

Selling and distribution expenses

Selling and distribution expenses decreased by approximately \$1.3 million, or 11% to \$9.9 million in 1H2024 mainly due to the lower depreciation of right of use assets, manpower and staff expenses.

Administrative expenses

Administrative expenses decreased from \$3.3 million, or 16% in 1H2023 to \$2.8 million in 1H2024 mainly due to the lower manpower and staff expenses which is in line with lower business activities of the Group.

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

Share of profit of associate

The Group registered share of profit of associates of \$0.1 million in 1H2024 which relates to the financial performance of the Group's 50% investment in Globe Diamonds Singapore Pte Ltd. The \$1 million profit in 1H2023 was attributable to the gain on disposal of investment properties by the associate.

Finance costs

Finance costs increased by approximately \$0.5 million or 59% to \$1.4 million in 1H2024. This was mainly due to higher utilisation of bank credit facilities, coupled with higher borrowing costs.

Profit before tax

As a result, the Group registered a profit before tax of \$6.3 million for 1H2024 which represents a 13% decrease from \$7.1 million profit in 1H2023.

Review of the Financial Position of the Group

Non-current assets

Non-current assets increased by approximately \$0.4 million or 1.6% from \$26.2 million as at 30 June 2023 to \$26.7 million as at 31 December 2023. This was mainly due to the increase in property, plant and equipment for HQ renovation.

Current assets

Current assets increased by approximately \$10.3 million or 6.1% from \$167.9 million as at 30 June 2023 to \$178.2 million as at 31 December 2023, this was attributable to the increase in trade receivables of \$10.0 million mainly from financial services due to the increased level of activities and higher level of cash and cash equivalents of \$3.4 million.

Current liabilities

Current liabilities increased by approximately \$5.6 million or 9.8% from \$57.1 million as at 30 June 2023 to \$62.7 million as at 31 December 2023 due to the increase in short term bank borrowings of \$6.7 million, bullion loans of \$3.0 million, decrease in trade and other payables of \$3.7 million, decrease of lease liabilities of \$0.2 million and increase of income tax payable of \$0.2 million.

Non-current liabilities

Non-current liabilities decreased by \$0.3 million or 1.7% from \$17.6 million as at 30 June 2023 to \$17.3 million as at 31 December 2023 due to the decrease in bank borrowings of \$0.6 million and increase of lease liabilities of \$0.3 million.

Working capital

The Group had a positive working capital of approximately \$115.4 million as at 31 December 2023 as compared to approximately \$110.8 million as at 30 June 2023.

Review of the Cash Flow Statement of the Group

The Group's cash and cash equivalents position increased by approximately \$3.4 million as at 31 December 2023 as compared to 30 June 2023.

Net cash used in operating activities

In 1H2024, the Group recorded a net cash used in operating activities of \$2.1 million which was a net result of operating cash flow before working capital changes of \$10.2 million, adjusted for working capital outflow of \$11.2 million and income tax paid of \$1.1 million. The net working capital outflow of \$11.2 million was mainly due to the following: (a) Decrease in trade and other payables of \$3.6 million; (b) Increase in trade and other receivables and prepayment of \$10.6 million; and (c) Decrease in inventories of \$2.9 million.

Net cash used in investing activities

Net cash used in investing activities amounted to \$0.1 million in 1H2024 primarily driven by the receipt of \$0.4 million from third party for disposal of subsidiary, and reduced by the payment of \$0.6 million on renovation of office and outlets as well as the purchase of office equipment.

Net cash generated from financing activities

Net cash generated from financing activities amounted to \$5.7 million in 1H2024 mainly attributable to net bank borrowings of \$6.1 million, bullion loans of \$2.8 million, repayment of finance lease liabilities of \$1.9 million, and interest paid of \$1.4 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.

The Group is poised for a strategic expansion plan, envisioning a gradual increase in the number of our jewellery and pawnshop outlets. This strategic move aims not only to strengthen our brand position but also to elevate our market competitiveness.

Global economic growth is anticipated to decelerate further in 2024 amid tight monetary policies, restrictive financial conditions, and sluggish global trade and investment. There are also downside risks including an escalation of the recent conflict in the Middle East, financial stress, trade fragmentation, and climate-related disasters. In the face of this challenging macroeconomic environment marked by exchange rate and gold price volatility, inflationary pressures, and high interest rates, the Group strives to be resilient and reasonably optimistic about sustaining profitability in FY2024 barring any unforeseen circumstances.

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.

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 1H2024 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 IPT of \$100,000 and above for the current financial period reported on. The Group does not have a general mandate from shareholders for IPT.

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 Catalyst Rule 706A

Not applicable. During the period ended 31 December 2023, 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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Condensed Interim Financial Statements

For the Six Month Ended 31 December 2023 ("1H2024")

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 2023 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

8 February 2024