

TAKA®
JEWELLERY

*Dazzle in
every Detail*



Annual Report 2024



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This annual report has been reviewed by the Company's Sponsor. It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "Exchange") and the Exchange assumes no responsibility for the contents of this annual report, including the correctness of any of the statements or opinion made or reports contained in this annual report.

The contact person for the Sponsor is Ms. Foo Jien Jieng, 16 Collyer Quay, #10-00 Collyer Quay Centre, Singapore 049318, sponsorship@ppcf.com.sg.

Corporate Profile

Taka Jewellery Holdings Limited (“**TAKA**” or the “**Company**” and together with its subsidiaries, the “**Group**”), is a well-established jeweller with over 25 years of track record specialising in the design, manufacture and sale of jewellery to both the local and international markets on a retail and wholesale basis.

In Singapore, the Group has a network of 18 retail outlets strategically located in various heartland districts, as well as central and suburban malls. Our brands include Taka Jewellery, an established household brand that sells quality jewellery at competitive prices, and Top Cash, our pawnbroking business which involves the trading and retailing of used gold and pre-owned jewellery. In 2019, the Group diversified into the moneylending business which includes extending term loan facilities and financing to corporations.

On the international front, the Group actively participates in jewellery exhibitions to sell its products to wholesale customers in Asia, Africa, America, Europe and Oceania.

Our Business

JEWELLERY

The Group is principally engaged in the design, manufacturing and sale of jewellery in Singapore under the Taka Jewellery brand as well as on a wholesale basis to global markets through active participation in international jewellery exhibitions.

Retail

Taka Jewellery is an established household brand that provides quality jewellery at competitive prices. With an extensive selection of classic and contemporary quality jewellery made from different raw materials, the brand caters to the mass market from homemakers to young working executives.

Exhibitions

The Group actively participates in jewellery exhibitions around the world, selling jewellery on a wholesale basis to customers from Asia, Africa, America, Europe and Oceania. We participate in exhibitions under our brands Taka Jewellery as well as The Diamond Garden, which was launched in 2022 to engage in the marketing and sale of a contemporary line of lab-grown jewellery.

FINANCIAL SERVICES

Pawnbroking

The Group’s pawnbroking business engages in the trading and retail of new and pre-owned jewellery under the Top Cash brand since 2013. Our pawnshops typically accept gold, as well as valuable articles (such as precious stones, gold coins and bars) as collateral for the loans we extend to our customers.

Money lending

The Group diversified into the moneylending business in 2019, extending corporate loans to businesses that require financing for their operations or working capital purposes. The corporate loans are in the form of secured term loan facilities, whereby the Group is able to earn fees and interest during the tenure of the loans.

LETTER TO SHAREHOLDERS



Dear Shareholders

The Year In Review

The financial year ended 30 June 2024 (“FY2024”) presented an economic environment that was constantly evolving, primarily driven by escalating geopolitical tensions, tightening monetary policies and persistent inflationary pressures. Concurrently, the jewellery industry faced structural shifts, with shifting consumer preferences between lab grown and natural diamonds, as well as an increasing interest in coloured gemstones.

Despite these external pressures, we achieved a commendable 16% rise in net attributable profit for the year to S\$10.3 million from S\$9.0 million in the prior financial year (“FY2023”). This was on the back of a steady revenue of S\$146.8 million generated in FY2024, compared to S\$145.9 million in FY2023, largely attributed to an increase in the retail business segment.

To share the takings from a good year, the Board of Directors (“Board”) of the Company has proposed a final dividend of 0.179 Singapore cents per share, subject to shareholders’ approval at the upcoming AGM.

As at 30 June 2024, the Group maintained a strong balance sheet with net assets of S\$129.8 million and cash and bank balances of S\$12.7 million compared to S\$119.5 million and S\$11.0 million respectively as at 30 June 2023. Net asset value per share edged up to 23.20 Singapore cents from 21.36 Singapore cents as at 30 June 2023.

Wholesale and Exhibition Business

Tradeshows and exhibitions continue to be our key growth driver, generating total revenue of S\$59.8 million for the Group in FY2024, compared to S\$61.0 million in FY2023. The lower revenue was due to reduced wholesale export sales to overseas customers. The exhibitions events provide a dynamic trading platform for us to showcase our products, connect with industry partners, and expand our global customer base. Since 2003, we have actively participated in numerous prestigious exhibitions that have enhanced our brand visibility and influence in key international markets.

This year’s twin jewellery shows, held from 27 February to 4 March 2024, featured more than 4,000 exhibitors from 44 countries and regions. The 40th edition of the Hong Kong International Jewellery Show and 10th edition of the Hong Kong International

As at 30 June 2024, the Group maintained a strong balance sheet with net assets of

**S\$129.8
million**

LETTER TO SHAREHOLDERS

Diamond, Gem and Pearl Show introduced new digital features to enhance the visitor experience. Innovations including allowing visitors to scan exhibitors' exclusive QR codes, bookmark preferred exhibitors, browse product information and connect with exhibitors during or after the exhibition, have made participation more seamless and efficient¹.

In June, we were also among the 1,900 exhibitors at the JCK Las Vegas Jewellery Show. With enhanced security measures in place, the event attracted 17,300 visitors, providing valuable opportunities for learning, discussion and exchange of insights on new technologies, strategies, and trends in the industry². To complement our wholesale and exhibition activities, we remain active across all our e-commerce and social media platforms to enhance our reach and deepen our connections with our global customer base.

Although our export sales to overseas customers dipped marginally in FY2024, we have seen a notable increase in demand from new trade buyers in Southeast Asia and South Asia. This surge is mainly driven by the burgeoning middle class and younger demographic that are eager to splurge on jewellery. With the market remains divided between lab-grown and natural diamonds, the growing interest in coloured gemstones has offered a steady alternative and sustained demand for us.

With our year end calendar lined up with more exhibitions, we will continue to be on top of industry trends and customer preferences to meet and exceed market expectations.

Retail Business

Since the onset of the pandemic, we closed three retail stores and took a cautious approach to expansion, focusing on preserving resources and keeping expenses low. However, with the revival of tourism, bolstered by the Singapore-China visa-free scheme and a strong line-up of leisure and MICE events, the Group has since shifted its focus to strategically open new stores in Singapore to capitalise on the ongoing recovery.

Earlier in 2024, we opened two new stores at Lucky Plaza on Orchard Road and Northpoint City in Yishun respectively, bringing our total number of stores in Singapore to 18. Together with our e-commerce sales,

revenue for the retail business edged up 2% to S\$83.1 million in FY2024 from S\$81.5 million in FY2023.

We plan to open two additional stores by end of December 2024 to further strengthen our brand presence and boost our market competitiveness. However, the retail environment continues to face a persistent manpower crunch, leading to staffing shortages that have curtailed our plans for overseas expansion. As such, our immediate focus is on strengthening our domestic market presence.

Among others, we will continue to focus on enhancing our digital presence and e-commerce capabilities to better serve our customers who prefer online shopping, as well as to reach out to international buyers. To further elevate the shopping experience, we support a wide range of payment options such as UnionPay and American Express, and have continued our partnership with Atome to offer flexible payment solutions.

Building on our commitment to delivering high quality products at competitive prices, we constantly innovate and refine our collections to ensure our collections are crafted with elegance and designed to meet the different sophisticated tastes of our customers. Throughout the year, we offer a variety of promotions and deals, on top of our ongoing Treasures Reward Programme to foster customer loyalty.

Financial Services

Driven by soaring gold prices, our pawnbroking business saw more consumers trading in their pre-owned gold jewellery. Additionally, despite the rising interest rate and escalating cost environment, the Group has maintained its competitive pricing to its clientele. This has proven to be instrumental and effective in retaining client loyalty and onboarding new clientele.

The above has boded well for the financial services segment, generating S\$3.9 million in revenue for FY2024 from S\$3.4 million in FY2023, due to higher interest income earned. As part of our strategic expansion plans for the new financial year, we will be expanding our pawnshop outlets and financial services business to cater to the increasing needs of both business-to-consumers and business-to-business segments which includes enterprises which require working capital for their business operations and expansions.

¹ 27 February 2024, South China Morning Post – Dynamic trading platform: HKTDC's "Hong Kong International Jewellery Show" and its concurrent "Hong Kong International Diamond, Gem and Pearl Show" host over 4,000 exhibitors.

² 10 June 2024, JCK – Successful JCK Show in Vegas Wraps on "Very Positive Note"

LETTER TO SHAREHOLDERS



Outlook

Looking ahead, the global economy is expected to grow at a modest and steady pace, maintaining at a 3.2% growth rate for the rest of the year, as projected by the International Monetary Fund in its World Economic Outlook July 2024 update report³. However, with downside risks such as ongoing geopolitical tensions, trade conflicts and increased policy uncertainty, we must remain vigilant and ready to adapt to any unforeseen challenges.

As always, we will continue to exercise disciplined and prudent financial management to safeguard our profitability and maintain our strong financial position. Our focus remains steadfast on enhancing our operational efficiencies, investing in innovation and delivering exceptional value to all our customers and stakeholders. We are optimistic that our strategic plans that we have been carrying out for the past and current financial years will bear fruit.

Appreciation

On this note, we extend our deepest gratitude to everyone who has been a part of our journey. As we reflect on the FY2024's performance, your unwavering commitment has been pivotal in our growth and resilience, guiding us through each milestone.

To our new Board of Directors, your expertise and leadership have brought fresh insights and valuable guidance to the Group. To our management team and staff, your hard work and commitment have been the bedrock of our success. To our customers and shareholders, thank you for your continued trust and loyalty, it is your support that drives us to innovate and excel. Also, our heartfelt appreciation to our business partners and vendors, whose collaboration and reliability have enabled us to deliver on our promises.

Together, we have overcome challenges and celebrated achievements, and we look forward to what we will accomplish in the coming year.

Dr Tan Kia King

Non-Executive Chairman and Independent Director

Teo Boon Leng

Managing Director

³ July 2024, International Monetary Fund – World Economic Outlook Update, July 2024: The Global Economy in a Sticky Spot

*Diverse,
yet Discerning*



Vision

To be a premier jeweller offering a diverse, yet discerning selection of exquisitely-crafted jewellery pieces available to all. We endeavour to further expand our geographical reach and brand equity across local and international markets alike; empowering individuals and their communities with value-rich products at fair, competitive prices.

Values

From precious metals and stones to jewels, all of our products are designed, manufactured and quality-accessed according to rigorous industry standards to ensure utmost customer satisfaction. Beyond advocating affordable luxury across Singapore and internationally, we aim to:

Leave no consumer out:

No matter the budget or preference, our ultimate goal is to ensure there is 'something for everyone' with our ever-growing portfolio of products and service offerings, allowing our customers to receive the best value for their dollar.

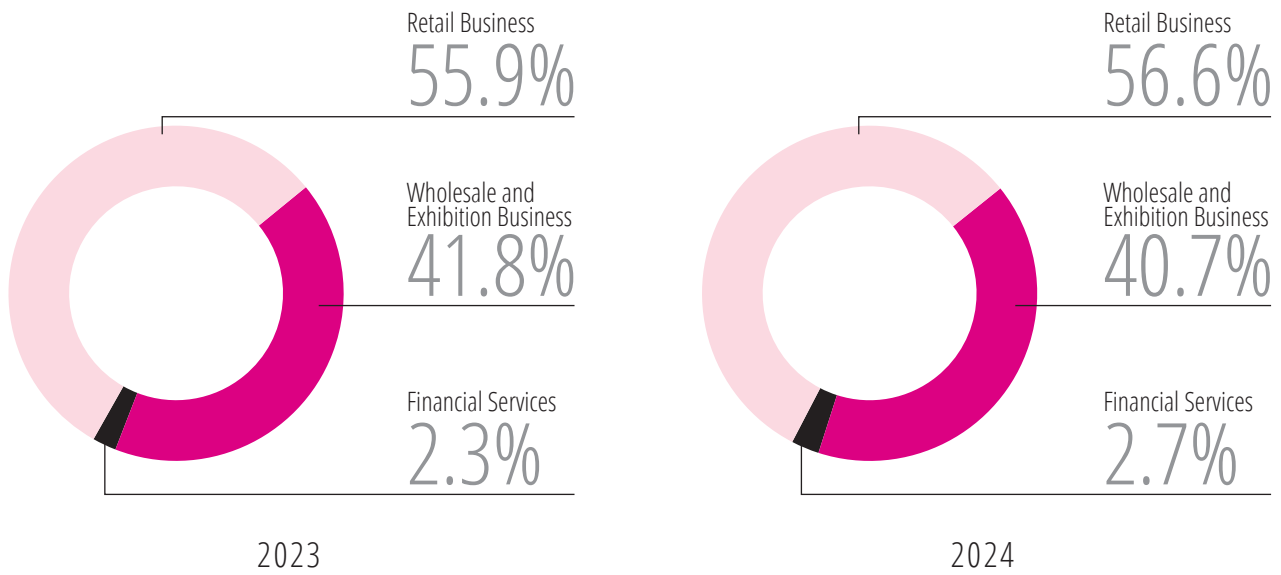
Create a lasting legacy:

Our active participation in jewellery exhibitions across the world has garnered widespread recognition of our Taka Jewellery and Top Cash brands, along with their respective signature jewellery collections. We seek to take this success to the next level with an emphasis on product quality and brand excellence, coupled with service from the heart.

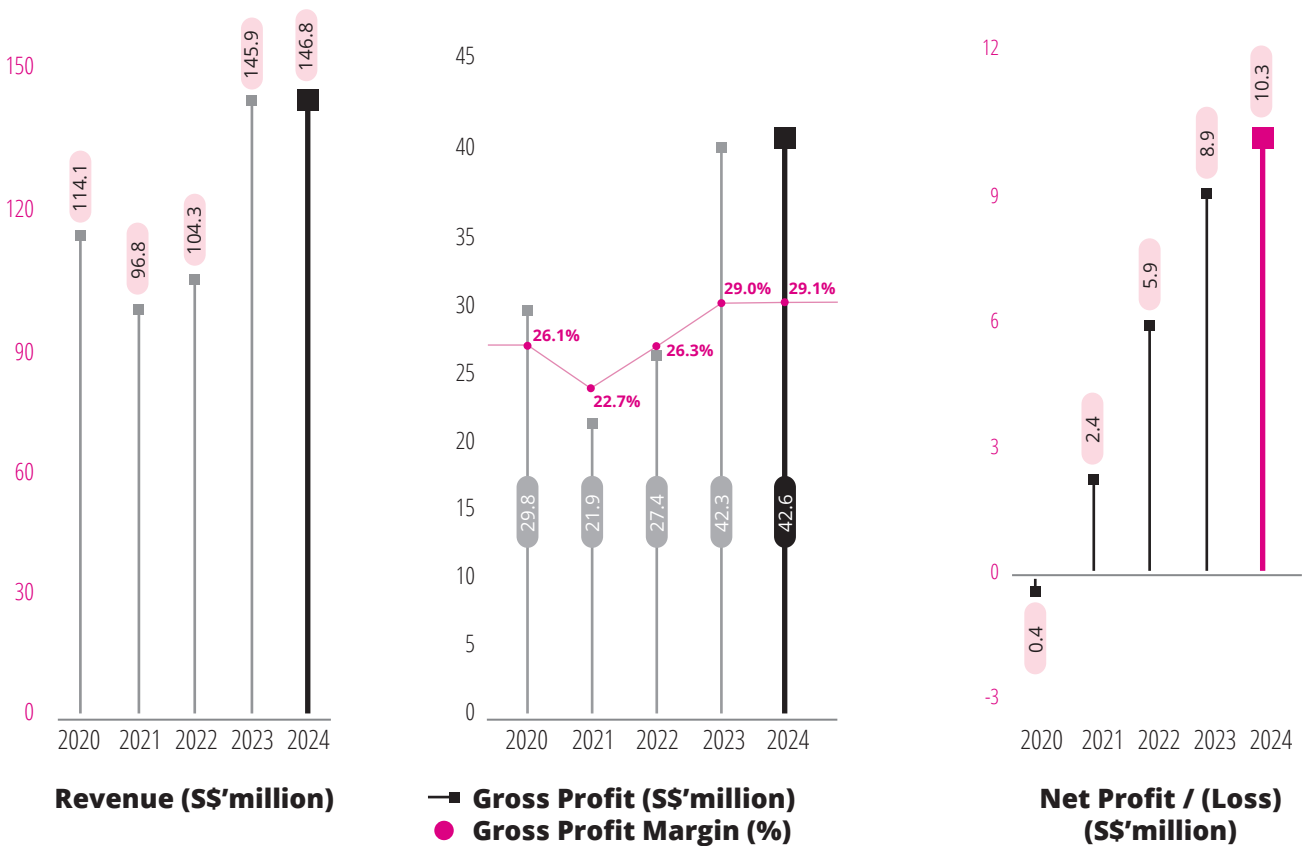
Provide an inexhaustible wealth of options:

Providing a vibrant mix of classic, contemporary and fashion-forward styles are key to staying relevant in today's competitive and ever evolving retail landscape. A broad variety of high-quality jewellery has always been, and will continue to be, the main focus of our product offerings across all of our brands and businesses.

FINANCIAL HIGHLIGHTS



Revenue Contribution by Business Segment (%)



FINANCIAL REVIEW

FINANCIAL PERFORMANCE

Income Statement	GROUP	
	FY2024 S\$'000	FY2023 S\$'000
Revenue	146,756	145,889
Cost of sales	(104,104)	(103,589)
Gross profit	42,652	42,300
Other operating income	317	541
Distribution costs	(21,253)	(22,055)
Administrative expenses	(6,723)	(7,130)
Other operating expenses	(559)	(447)
Impairment loss on trade receivables, net	(646)	(1,927)
Share of profit of associate	549	1,579
Finance costs	(2,731)	(2,034)
Profit before tax	11,606	10,827
Income tax expense	(1,287)	(1,926)
Profit after tax	10,319	8,901

Revenue

The Group's revenue remained stable, edging up to S\$146.8 million in FY2024 compared to S\$145.9 million in FY2023, largely on higher sales from retail business segment. The retail business remained the largest revenue contributor in FY2024, accounting for 57% of total revenue, with growth of 2% to S\$83.1 million from S\$81.5 million in FY2023.

Revenue from the financial services business saw a 17% increase to S\$3.9 million in FY2024 due to higher interest income earned from the pawnbroking and moneylending business, while wholesale and exhibition business registered a 2% dip in revenue to S\$59.8 million due to reduced export sales to overseas customers.

Gross Profit and Gross Profit Margin

Likewise, gross profit and gross profit margin grew marginally to S\$42.7 million and 29.1% in FY2024 compared to S\$42.3 million and 29.0% respectively in FY2023.

Expenses

Distribution costs dipped by a marginal 4% to S\$21.3 million in FY2024 due to the absence of cost from the F&B entity which was disposed of in FY2023. This impact was partially offset by a year-on-year increase in selling and distribution expenses arising from higher manpower and staff-related expenses from the Group's expanded business activities.

Similarly, administrative expenses slid 6% to S\$6.7 million in FY2024 due to the absence of F&B administrative costs, which partially offset the increase in staff-related costs of S\$0.2 million.

Net Profit

The Group recorded a 16% growth in net profit to S\$10.3 million in FY2024 compared to S\$8.9 million in FY2023.

BALANCE SHEET

The Group's net assets rose to S\$129.8 million as at 30 June 2024 compared to S\$119.5 million as at 30 June 2023.

Non-current assets increased 8% to S\$28.4 million as at 30 June 2024 from S\$26.2 million as at 30 June 2023. This was largely due to the recognition of the post-acquisition reserves from the profits recorded by the associate company of S\$0.5 million; outlet retail lease renewal of S\$0.8 million that represented the majority of right-of-use assets; and the purchase of new property, plant and equipment of S\$0.1 million.

Current assets increased 10% to S\$184.0 million as at 30 June 2024 from S\$167.9 million as at 30 June 2023. This was attributable to an increase in inventories of S\$4.3 million arising from higher level of raw materials and finished goods on-hand in preparation for upcoming exhibitions; an increase in trade and other receivables of S\$10.1 million mainly from financial services due to the increased level of activities; and an increase in cash and cash equivalents of S\$1.7 million.

Current liabilities rose 22% to S\$69.4 million as at 30 June 2024 compared to S\$57.1 million a year ago due to an increase in short-term bank borrowings of S\$10.5 million; new bullion loan of S\$0.3 million; an increase in trade and other payables of S\$0.6 million; an increase in lease liabilities of S\$1.3 million; and a reduction in income tax payable of S\$0.4 million.

On the other hand, non-current liabilities decreased 25% to S\$13.1 million as at 30 June 2024 from S\$17.6 million as at 30 June 2023 on a decline in bank borrowings of S\$4.2 million; and a decrease in lease liabilities of S\$0.4 million.

The Group registered a positive working capital of S\$114.6 million as at 30 June 2024 compared to S\$110.8 million as at 30 June 2023.

Cash Flow

Statement of Cash Flows	GROUP	
	FY2024 S\$'000	FY2023 S\$'000
Net cash generated from/ (used in) operating activities	2,770	(2,808)
Net cash used in investing activities	(888)	(1,518)
Net cash (used in)/ generated from financing activities	(416)	4,039
Cash and cash equivalents at end of financial year	9,888	8,389

In FY2024, the Group recorded a net cash generated from operating activities of S\$2.8 million, a net result of operating cash flow before working capital changes of S\$19.7 million, adjusted for working capital outflow of S\$15.0 million. The S\$15.0 million net working capital outflow was mainly due to (a) an increase in trade and other receivables and prepayment of S\$11.4 million; (b) an increase in inventories of S\$4.3 million; and (c) an increase in trade and other payables of S\$0.6 million.

The net cash used in investing activities of S\$0.9 million in FY2024 was mainly from the purchase of property, plant and equipment.

Net cash used in financing activities amounted to S\$0.4 million in FY2024 largely from borrowings of S\$52.9 million, and partially offset by repayment of borrowings and payment of principal portion of lease liabilities of S\$50.4 million as well as payment of interest of S\$2.7 million. The increase in the net cash obtained from financing facilities was consistent with the increase in the working capital requirements.

As at 30 June 2024, the Group's cash and cash equivalents rose to S\$9.9 million compared to S\$8.4 million as at 30 June 2023.

BOARD OF DIRECTORS



Dr Tan Kia King

Non-Executive Chairman and Independent Director

Appointed on 25 October 2023

Dr Tan Kia King, the Non-Executive Chairman and Independent Director of TAKA, was appointed to the Board on 25 October 2023.

Dr Tan has 30 years of experience as a medical doctor. He graduated from the National University of Singapore with a Bachelor of Medicine and Bachelor of Surgery in 1993. He is a registered doctor of the Singapore Medical Council since 1993. Dr Tan started his career as a medical officer in the Ministry of Health till 1998. He is currently a locum doctor at Clinical Associates Medical Centre.

Dr Tan served as Chairman of Sengkang West Citizens' Consultative Committee from 2021 to 2022. He served the community as Grassroot Advisor of Sengkang North Grassroot Organisation in 2023. He was awarded a Public Service Medal (Pingat Bakti Masyarakat, PBM) in 2016 and Public Service Star Medal (Bintang Bakti Masyarakat, BBM) in 2021 for commendable public service by the Prime Minister's Office.

Dr Tan has been a Non-Executive, non-independent Director of Hyphens Pharma International Ltd since 2018.

Teo Boon Leng

Managing Director

Re-appointed on 26 October 2022

Mr Teo Boon Leng, the Managing Director and co-founder of TAKA since 1997, was appointed to the Board on 22 June 2015. Together with the Group's Executive Director, Mr Ang Kah Leong, they set the overall strategic and expansion plans of the Group.

Mr Teo oversees the business development, procurement and the overseas operations of the Group and is instrumental in maintaining working relationships with suppliers and customers. He also spearheaded the Group's growth, leading the expansion of its retail, wholesale and pawnbroking businesses and operations.

Mr Teo has more than 35 years of experience in the jewellery industry and began his career as an apprentice, learning the skills of jewellery craftsmanship at a jewellery design and manufacturing company, and subsequently established a company to manufacture jewellery. Prior to establishing the Group, he served as a director at a jewellery company which was in the business of retail of jewellery and also provided customisation and alteration services for jewellery.

Ang Kah Leong

Executive Director

Re-appointed on 29 October 2021

Mr Ang Kah Leong, an Executive Director and co-founder of TAKA since 1997, was appointed to the Board on 22 June 2015. Together with the Group's Managing Director, Mr Teo Boon Leng, they set the overall strategic and expansion plans of the Group.

Mr Ang oversees the day-to-day operations, business development and management of the Group's business in Singapore. He is also instrumental to the Group's growth, leading the expansion of its retail, wholesale and pawnbroking businesses and operations.

Mr Ang has over 30 years of experience in the jewellery industry, having started out as a freelance craftsman. Prior to establishing the Group in 1997, Mr Ang established a sole proprietorship which dealt in the wholesale business of jewellery.

Kuan Cheng Tuck

Independent Director

Appointed on 25 October 2023

Mr Kuan Cheng Tuck, an Independent Director of TAKA, was appointed to the Board on 25 October 2023.

Mr Kuan has more than 20 years of experience in the fields of accounting, auditing as well as business and financial advisory. He had worked with various international accounting firms in Singapore and Malaysia for ten years prior to managing his own business consulting firm. Mr Kuan has also served as independent director of various companies listed on the SGX-ST.

Mr Kuan holds a Bachelor of Accountancy degree from the Nanyang Technological University of Singapore, a Bachelor of Laws (Honours) degree from the University of London and a Master of Laws (Corporate and Financial Services Law) degree from the National University of Singapore. He is a fellow member of the Association of Chartered Certified Accountants, United Kingdom, and a member of the Institute of Singapore Chartered Accountants. He was also admitted to the Singapore Bar.

Young Sau Kwan Joanna

Independent Director

Appointed on 25 October 2023

Ms Young Sau Kwan Joanna, an Independent Director of TAKA, was appointed to the Board on 25 October 2023. She brings with her a wealth of experience in accounting, auditing and financial management.

Ms Young is the senior partner of her accounting firm. From 1969 to 1978, she gained extensive experience in the accounting profession during her employment with Evan Wong & Co and Turquand Youngs & Co. In 1978, she joined a garment manufacturing company taking charge of financial, administration and production duties before setting up her own practice in 1980. She was the Honorary Auditor of the Chinese Women's Association from 1972 to 2015.

Ms Young had served as a Non-Executive Independent Director of Chuan Hup Holdings Ltd from 2003 to 2018 (Chairman of Audit Committee, Member of Nominating Committee and Remuneration Committee), CH Offshore Ltd from 2005 to 2015 (Chairman of Audit Committee, Chairman of Nominating Committee and Member of Remuneration Committee) as well as in PCI Ltd from 2018 to 2019 (Member of Audit Committee and Nominating Committee).

Ms Young studied Accountancy in Sydney Technical College and obtained her Accountancy Certificate in 1968. She was admitted to the membership of the Australian Society of Accountants and the Singapore Society of Accountants in 1969. She is a Fellow Life Member of the Institute of Singapore Chartered Accountants, a Fellow Member of CPA Australia and an Accredited Tax Practitioner of the Singapore Institute of Accredited Tax Professionals.



KEY MANAGEMENT

Irene Ng

General Manager (Exhibitions)

Ms Irene Ng joined the Group in 2001 and is currently the Group's General Manager (Exhibitions). Ms Ng is in charge of the Group's participation in exhibitions and was instrumental in building up the Group's exhibition business. She establishes and maintains relationships with international customers, assists in the procurement process, and spearheads the exhibition and e-commerce team for the Group's exhibitions business.

Ms Ng helped to build up the exhibitions business from its humble beginnings in 2003 to a well-regarded and sought-after exhibitor at many international jewellery exhibitions.

Julia Tan

General Manager (Local)

Ms Julia Tan joined the Group in 2001 and is currently its General Manager (Local). Ms Tan assists the Managing Director and Executive Director in the Group's day-to-day operations, and oversees the human resource, information technology, logistics, and sales and marketing functions of the Group in relation to its retail business. She is also responsible for devising marketing proposals and protocols, and organising sales events, promotions and campaigns for the retail business. She has been instrumental in building up the Group's jewellery business and in establishing the Group's pawnshop business.

Ms Tan graduated with a Bachelor of Commerce (major in Business Administration, Marketing and Human Resource) from the University of Tasmania, Australia.

Macvis Teo

General Manager (Financial Services)

Ms Macvis Teo joined the Group in 2011 and is currently its General Manager (Financial Services). She oversees and manages the overall business and operational matters in relation to the Group's Financial Services business segment – pawnbroking and moneylending business. She is also responsible for procurement of raw materials, operations, as well as revenue generating activities across the Group.

Ms Teo has more than 20 years of experience in the jewellery industry. She graduated with a Bachelor of Science in Business Administration from the State University of New York, the United States of America. She also holds a Graduate Gemologist Diploma from the Gemological Institute of America.

Tan Yee Ming

Group Financial Controller

Ms Tan Yee Ming joined the Group in 2018 and is currently its Group Financial Controller. She oversees the financial and accounting management and reporting functions of the Group. Ms Tan has over 10 years of experience in audit, financial and accounting management, having served four years as an auditor with Deloitte & Touche, five years with a SGX-listed manufacturing group and subsequently with a Norwegian group of shipping companies.

Ms Tan graduated with a Bachelor of Accountancy from Nanyang Technological University. She has been a non-practising member of the Institute of Singapore Chartered Accountants since 2003.

Corporate Information

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COMPANY REGISTRATION NUMBER

201526542C

BOARD OF DIRECTORS

Dr Tan Kia King

Non-Executive Chairman
and Independent Director

Teo Boon Leng

Managing Director

Ang Kah Leong

Executive Director

Kuan Cheng Tuck

Independent Director

Young Sau Kwan Joanna

Independent Director

AUDIT COMMITTEE

Kuan Cheng Tuck (Chairman)
Dr Tan Kia King
Young Sau Kwan Joanna

NOMINATING COMMITTEE

Young Sau Kwan Joanna (Chairman)
Dr Tan Kia King
Kuan Cheng Tuck

REMUNERATION COMMITTEE

Dr Tan Kia King (Chairman)
Young Sau Kwan Joanna
Kuan Cheng Tuck

COMPANY SECRETARY

Wong Yoen Har, ACIS

SPONSOR

PrimePartners Corporate Finance Pte. Ltd.
16 Collyer Quay
#10-00 Collyer Quay Centre
Singapore 049318

SHARE REGISTRAR AND SHARE TRANSFER OFFICE

Boardroom Corporate &
Advisory Services Pte. Ltd.
1 Harbourfront Avenue
#14-07 Keppel Bay Tower
Singapore 098632

AUDITOR

Ernst & Young LLP
Level 18 North Tower
One Raffles Quay
Singapore 048583

Partner-in-charge: Ng Boon Heng
(Date of appointment: Since financial year
ended 30 June 2020)

PRINCIPAL BANKERS

DBS Bank Limited

12 Marina Boulevard, Level 3
Marina Bay Financial Centre Tower 3
Singapore 018982

The HongKong and Shanghai Banking Corporation Limited

10 Marina Boulevard #48-01
Marina Bay Financial Centre Tower 2
Singapore 018983

Maybank Singapore Limited

2 Battery Road #16-01
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Singapore 049907

WEBSITE

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BOARD STATEMENT

On behalf of the Board of Directors (the “**Board**”), we are honoured to present the Sustainability Report for Taka Jewellery Holdings Limited (together with its subsidiaries, “**Taka**” or the “**Group**”) for the financial year from 1 July 2023 to 30 June 2024 (“**FY2024**”).

Building upon the momentum of the previous financial year, the Group has continued to make significant strides in its Environmental, Social, and Governance (“**ESG**”) initiatives. Our steadfast commitment to transparency, ethical practices, and strong corporate governance remains unwavering, as evidenced in this report, which highlights further progress made towards our ESG goals.

Collaboratively, the Board and senior management have been pivotal in embedding sustainability into Taka’s core business strategy. We have diligently identified, managed, and monitored crucial ESG factors across our operations in Exhibitions, Retail, Pawnbroking and Moneylending. This focused approach underscores our ongoing dedication to delivering sustainable value to all our stakeholders.

As international jewellery exhibitions continue to expand and our lab-grown diamonds product line gains traction, we’ve witnessed growth in our financial performance. Our dedication to ethically sourced and sustainable diamonds has resonated particularly well with millennials and Gen-Z consumers, enhancing our competitive edge.

Throughout FY2024, we have integrated sustainable practices across all facets of our business operations, meeting the needs of customers, employees, and the communities we serve, while positively impacting the environment and future generations. Our commitment to sustainability is a core value that drives our success.

We sincerely thank all our stakeholders for your steadfast support and trust in our mission and values. Your belief in us has been pivotal to our achievements, and we look forward to advancing our sustainability journey together with you in the coming years.

Sincerely,

Dr Tan Kia King

Non-Executive Chairman and Independent Director

Teo Boon Leng

Managing Director

ABOUT THIS REPORT

Reporting Period and Scope

This is Taka's seventh annual Sustainability Report, covering the ESG initiatives and performance metrics associated with our business activities in Singapore, from 1 July 2023 to 30 June 2024 ("**FY2024**").

Reporting Framework

This Report complies with Rules 711A and 711B of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual Section B: Rules of Catalist ("**Catalist Rules**") and has been developed with reference to the Global Reporting Initiative ("**GRI**") Standards 2021. The GRI Standards were selected as a globally recognised framework for reporting that enables the disclosure of balanced, comparable, and meaningful information on the Group's sustainability performance.

Taka has elected to follow the recommendations of the Task Force on Climate-related Financial Disclosures ("**TCFD**") and integrate climate-related disclosures commencing in this Sustainability Report FY2024. This will occur through a phased approach outlined on page 35. Currently, the Group is conducting an initial assessment of the climate-related risks and opportunities that impact our operations. Our aim is to progressively broaden the scope of climate-related disclosures in forthcoming sustainability reports.

Data Assurance

Our data is reported in good faith and to the best of our knowledge, and the accuracy and reliability of the information presented in this Sustainability Report has been ensured by internal monitoring and verification by the senior management team.

Taka has not sought external assurance for this Sustainability Report, and we may consider doing so for future sustainability reports.

Feedback

Feedback from our stakeholders is vital for us to continually improve upon our sustainability practices and reporting. We welcome your views, questions, and comments at taka.feedback@takajewellery.com.sg.

In line with our commitment to environmental sustainability, the Group will not be printing any hard copies of this Sustainability Report. The electronic edition of this Sustainability Report has been made available on SGXNet at <https://www.sgx.com/securities/company-announcements> and Taka Jewellery Holdings Ltd website at <https://www.takajewelleryholdings.com/>.

ABOUT TAKA JEWELLERY HOLDINGS LIMITED

Corporate Profile

Taka Jewellery Holdings Limited is a well-established global jeweller with a 25-year history in the design, manufacturing, and distribution of jewellery, catering to both local and international markets through retail and wholesale channels. Over the past two decades, the Group has honed its expertise in crafting affordable and fine jewellery, gaining a deep understanding of consumer trends and preferences.

In Singapore, the Group operates 18 strategically located retail outlets across heartland districts, central, and suburban malls. Our brands include Taka Jewellery, a trusted household name known for offering quality jewellery at competitive prices, and Top Cash, our pawnbroking business that deals in trading and retailing of new and pre-owned gold jewellery. In 2021, the Group further diversified its portfolio by entering into the moneylending business, providing term loan facilities and financing to corporations.

Internationally, the Group actively participates in jewellery exhibitions, selling its products to wholesale customers across Asia, Africa, America, Europe, and Oceania.

Our Business

Over the years, we have expanded and diversified into four core markets:

1. Retail

Taka Jewellery is a well-known household brand offering quality jewellery at competitive prices. With a broad selection of classic and contemporary jewellery made from various raw materials, Taka Jewellery serves the mass market, attracting customers ranging from homemakers to young working professionals.

2. Exhibitions

The Group actively participates in jewellery exhibitions worldwide, selling jewellery wholesale to customers across Asia, Africa, America, Europe, and Oceania. We exhibit under our brands Taka Jewellery and The Diamond Garden, the latter launched in 2022 to market a contemporary line of lab-grown diamond jewellery.

3. Pawnbroking

Since 2013, the Group has ventured into the pawnbroking business, trading and retailing new and pre-owned gold jewellery under the Top Cash brand. Our pawnshops typically accept gold and valuable articles, such as precious stones, gold coins and bars, as collateral for loans extended to our customers.

4. Moneylending

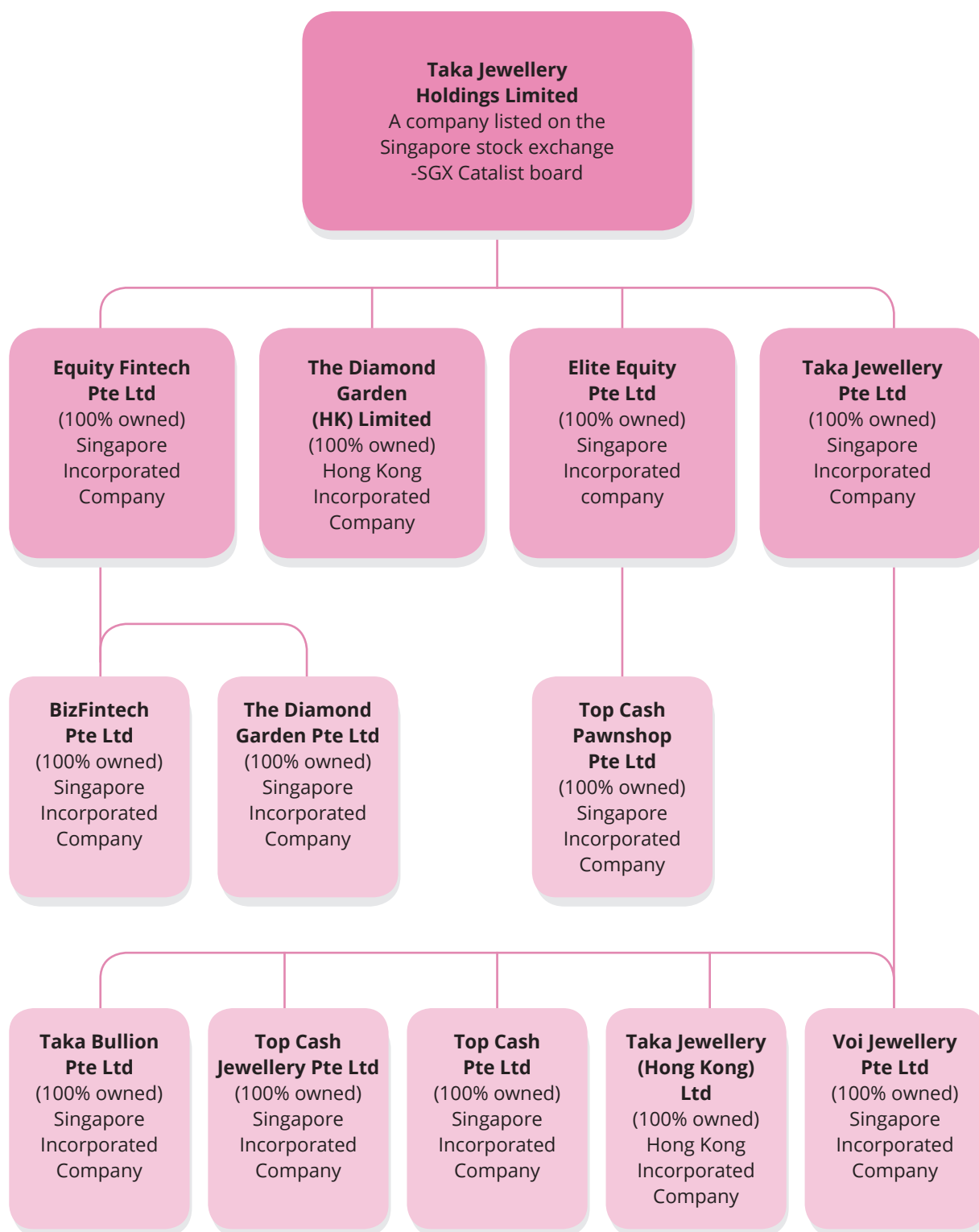
In 2019, the Group further diversified into the moneylending business, providing corporate loans to businesses needing financing for operations or working capital. These corporate loans are secured term loan facilities, allowing the Group to earn fees and interest over the loan tenure.

Taka Jewellery Holdings Limited was incorporated on 22 June 2015 and domiciled in Singapore, with its principal place of business and registered office at 3 Kaki Bukit Place, Eunos Techpark, Singapore 416181.

The Company was listed on to SGX Catalist board on 17 September 2015. With effect from 2 November 2021, the name of the Company was changed from TLV Holdings Limited to Taka Jewellery Holdings Limited.

ABOUT TAKA JEWELLERY HOLDINGS LIMITED

Our Group Structure, as of 30 June 2024 is as follows:



SUPPLY CHAIN MANAGEMENT

At Taka, we proactively manage our ESG risks, integrating this approach across our group of companies. We have well-established policies and procedures guiding various procurement stages, from vendor selection and comparison to periodic evaluation.

When procuring diamonds and gold from approved suppliers, our pricing policy considers three key factors: competitive profit margins, bulk purchasing power and disintermediation. To ensure ethical and legal compliance, our procurement team evaluates all suppliers against strict criteria. We continuously monitor and assess suppliers based on their expertise, past performance and the quality of products or services they offer. Additionally, we have implemented a quality assurance system involving checks to verify that diamonds are properly certified by reputable institutions such as the Gemological Institute of America (“GIA”) and International Gemological Institute (“IGI”).

The Group places great emphasis on fostering strong, resilient, and collaborative relationships with our suppliers, enabling us to swiftly address new challenges as they arise. We continuously replenish our inventory of raw materials from suppliers in Singapore, China, and Hong Kong based on market demand and our sales forecasts. Ensuring the sustainability of our value chains is crucial to instilling consumer confidence in our products.

In FY2024, we have received no significant complaints about our products or services. Moving forward, our goal is to work towards no more than one significant complaint.



MEMBERSHIP OF ASSOCIATION



The Group has been a member of Singapore Business Federation (“**SBF**”) since 1997. SBF is the apex business chamber championing the interests of the Singapore Business community in the areas of trade, investment, and industrial relations. It represents the interests of 25,800 companies, as well as key local and foreign business chambers.



Taka Jewellery Pte Ltd has been a member of the Singapore Jewellery Association (“**SJA**”) since 2003. SJA is the only non-profit organisation representing jewellery operations in Singapore. Currently, there are about 360 corporate members which include many reputable and established jewellers in Singapore.



Taka Jewellery (Hong Kong) Limited is a member of the Hong Kong Jewellery Manufacturers' Association (“**HKJMA**”) since 2015.

Established in 1988, HKJMA is an organisation representative of jewellery manufacturers and exporters. HKJMA is eager to understand the needs of its members, organising trading platforms for exhibitors and global buyers. Numerous seminars and courses are also held to provide professional trainings and latest industry information as well as technical support.



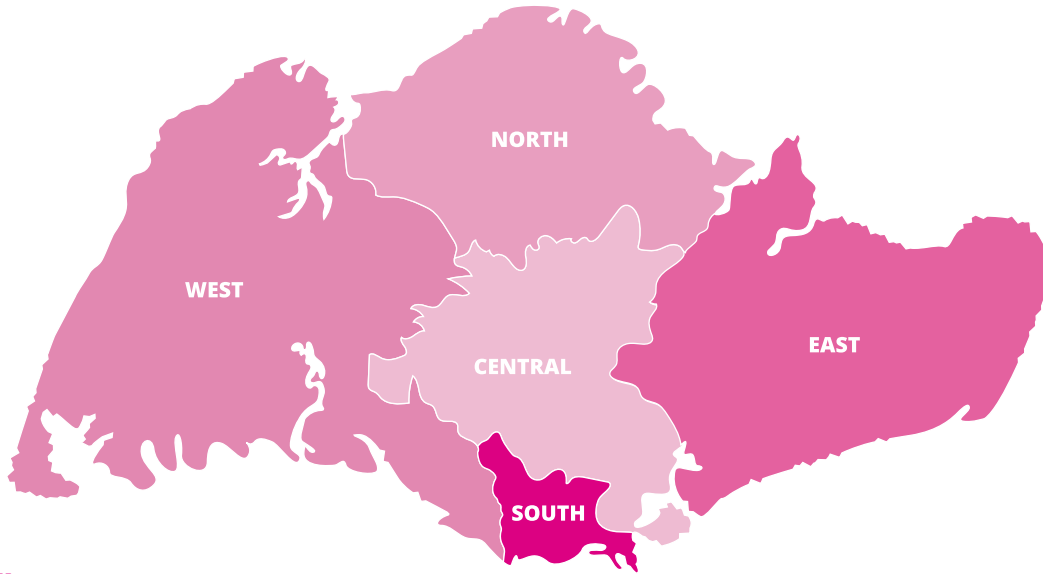
Taka Jewellery Pte. Ltd. is a member of the Singapore Chinese Chamber of Commerce & Industry (“**SCCCI**”), which promotes business growth through linking enterprises with the investment community in Southeast Asia through educational conferences, workshops, research, networking with groups worldwide, contributing to improving the environment and corporate governance system for investing, and facilitating the matching of early-stage companies with investors.



The Group's wholly owned subsidiary, Top Cash Pte Ltd has joined the Singapore Pawnbrokers' Association (“**SPA**”) since 2014.

SPA was registered in 1920 and is one of the oldest active associations in Singapore. With a staggering 91.1 percent of pawnshops in Singapore as members, the association currently has more than 200 members comprising traditional, modern, and public-listed companies.

STORE LOCATIONS



Taka Jewellery

CENTRAL	NORTH	EAST	SOUTH	WEST
<p>Lucky Plaza, Orchard 304 Orchard Road #01-14/82 Lucky Plaza Singapore 238863 Tel: +65 6733 4425</p> <p>ION Orchard 2 Orchard Turn #B2-60/61 Singapore 238801 Tel: +65 6509 6780</p> <p>Peranakan Place, Orchard 186 Orchard Road Peranakan Place Singapore 238849 Tel: +65 6732 9556</p>	<p>Heartland Mall 205 Hougang Street 21 #01-04 Heartland Mall Singapore 530205 Tel: +65 6285 7050</p> <p>Toa Payoh HDB Hub Blk 520 #01-62 Toa Payoh Central Singapore 310520 Tel: +65 6250 1955</p> <p>Ang Mo Kio Blk 702 #01-2519 Ang Mo Kio Ave 8 Singapore 560702 Tel: +65 6459 5615</p> <p>Junction 8 9 Bishan Place #01-42A Singapore 579837 Tel: +65 6261 5880</p> <p>North Point City 930 Yishun Ave 2 #01-44 Northpoint City (north wing) Singapore 769098 Tel: +65 6568 8600</p>	<p>Century Square 2 Tampines Central 5 #01-29 Century Square Singapore 529509 Tel: +65 6781 5119</p> <p>Parkway Parade 80 Marine Parade Road #B1-05 & 06 Singapore 449269 Tel: +65 6440 1183</p> <p>Bedok Mall 311 New Upper Changi Road #01-38 Bedok Mall Singapore 467360 Tel: +65 6245 0443</p>	<p>People's Park Complex 1 Park Road #01-60 People's Park Complex Singapore 059108 Tel: +65 6538 3577</p> <p>Tiong Bahru Plaza 302 Tiong Bahru #01-136 Tiong Bahru Plaza Singapore 168732 Tel: +65 6252 8592</p>	<p>Jurong Point Complex 63 Jurong West Central #01-50/51/52 Jurong Point Shopping Centre Singapore 648331 Tel: +65 6515 8545</p>

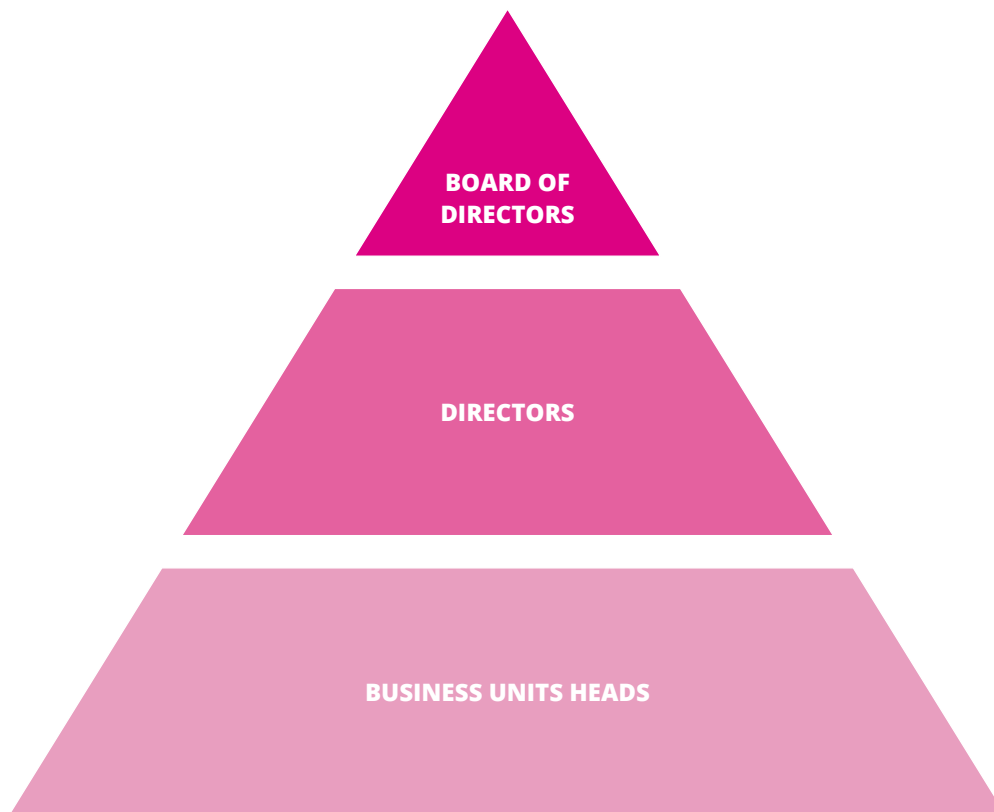
Top Cash

NORTH	CENTRAL	EAST
<p>103 Yishun Ring Rd, #01-115 Singapore 760103 Tel: +65 6758 1752</p>	<p>83 Serangoon Road Singapore 217988 Tel: +65 6341 5871</p> <p>99 Serangoon Road Singapore 218004 Tel: +65 6291 3952</p>	<p>810 Geylang Road, #01-57, Singapore 409286 Tel: +65 6741 0557</p>

SUSTAINABILITY GOVERNANCE

We are committed to upholding the highest standards of ethical business practices and corporate governance across our organisation. To support this commitment, we have established robust and transparent systems and procedures that ensure accountability to all our stakeholders.






Addressing sustainability-related risks is crucial for the Group, and strong leadership is essential in setting the right tone from the top. Our sustainability governance structure includes the Board of Directors, senior management, and business unit heads, who work together to integrate ESG considerations into Taka's business strategy and daily operations. By embracing the precautionary principle in our risk management approach, we proactively mitigate any business activities that could negatively impact the environment or society.



The Board, led by the Non-Executive Chairman and Independent Director, oversees Taka's sustainability reporting processes. They convene regular meetings to set the Group's strategic direction, address sustainability-related risks and evaluate Taka's ESG performance. The senior management team is responsible for assessing the effectiveness of our current sustainability practices and consistently updating the Board on Taka's ESG performance and initiatives. Meanwhile, business unit heads are tasked with implementing our sustainability objectives by executing relevant initiatives and monitoring Taka's ESG performance throughout the financial year. The Company has also participated in sustainability training to comply with the enhanced SGX sustainability reporting regulations.

STAKEHOLDER ENGAGEMENT

We have adopted a comprehensive approach to balancing the needs and concerns of our stakeholders. Recognising that building long-lasting, positive, and mutually beneficial relationships is vital for sustainable growth, we actively seek input from our stakeholders on ESG-related matters through both formal and informal engagements. This deliberate effort helps us gain deeper insights into their perspectives, concerns, and interests. The following table outlines our key stakeholder groups, their primary concerns and the various platforms we engage them on:

STAKEHOLDERS	ENGAGEMENT METHODS	FREQUENCY	KEY CONCERNS
Customers 	Enquiry and feedback channels	Ongoing	Good quality products and services Timely aftersales services
Vendors/ Suppliers 	Supplier discussions Supplier evaluation	Ad-hoc Annual	Compliance with terms and conditions of procurement contracts Maintain high ethical standards
Employees 	Induction and orientation program Performance appraisal Staff training Whistle-blowing channels	Ad-hoc Annual Ongoing Ongoing	Staff rights and welfare Personal development Good working environment Whistle-blowing policy
Investors/ Shareholders 	Annual meetings Board meetings Circulars to shareholders SGXNet announcements	Annual Regularly Regularly Ad-hoc	Profitability Transparency Timely reporting
Government/ Regulators 	Discussions with government agencies and regulators Regulatory audits	Ongoing Regularly	Compliance with laws and regulations Timely reporting and resolution of issues

MATERIALITY ASSESSMENT

Given the feedback we have received from our stakeholders and our commitment to sustainability, we have implemented a four-step approach to identify the ESG topics that are material to our business and our stakeholders, as follows:

IDENTIFICATION	A long list of ESG topics were selected for further consideration, after preliminary discussion and analysis performed by senior management and the Board of Directors.
PRIORITISATION	Identified ESG topics were then ranked and prioritised based on the significance of their economic impact on the Group and the degree of influence they hold over our internal and external stakeholders.
VALIDATION	Following which, shortlisted material ESG topics were presented to the Board for their validation and approval.
REVIEW	Material ESG topics are re-assessed in subsequent reporting periods to ensure their continued relevance to the Group and our key stakeholders.

For FY2024, we have chosen to keep the same material topics that were disclosed in our previous sustainability report, as detailed below:

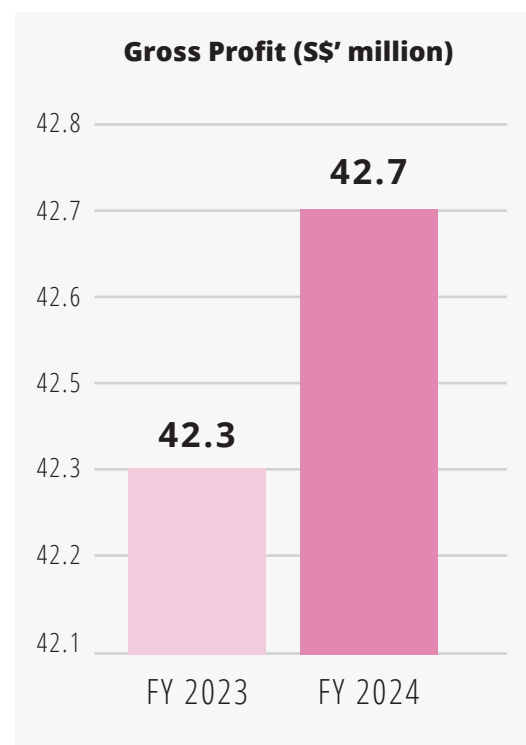
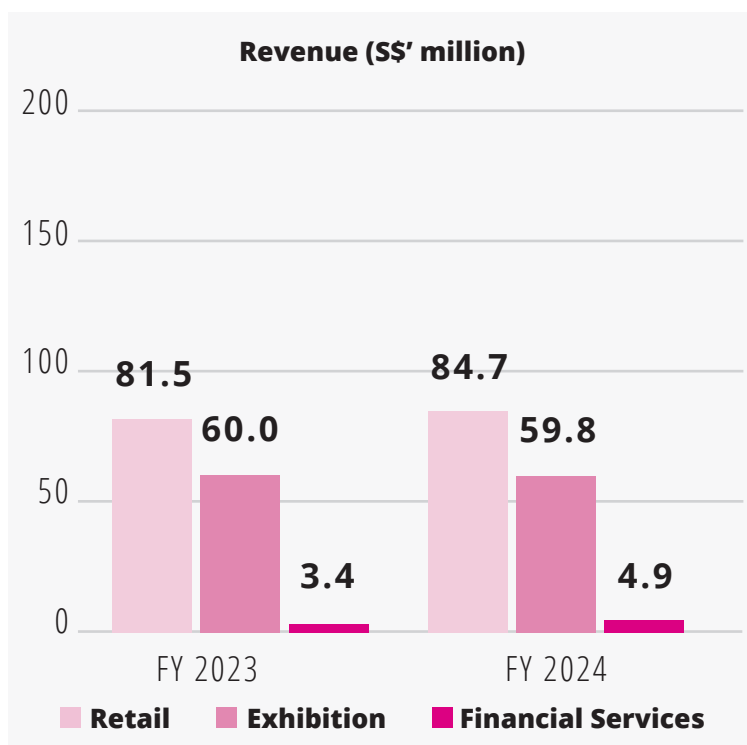
MATERIAL TOPICS	DESCRIPTION	COMMITMENT & TARGETS
Economic Performance	Our business performance over the past financial year	To increase sales revenue and volume by expanding our outlets and joining more exhibitions in accordance with the strategy set by management
Anti-Corruption	Our commitment to doing business with integrity	To maintain zero reported cases of corruption and wrongdoing
Energy	Our efforts to minimise our environmental footprint	To reduce carbon emission by at least 1% per year through the reduction in energy consumption
Employment	Our hiring policies and staff benefits	To maintain employee turnover rates below or at FY2023 levels, while providing equal opportunities for all
Local Communities	Our sustained efforts to give back to society	To participate in at least 1 local community engagement initiatives
Customer Privacy	Our internal safeguards to protect customer data privacy	To maintain our record of having zero identified leaks, thefts, or losses of customer data.

ECONOMIC PERFORMANCE

In all our business operations, we are committed to ensuring and maintaining a sustainable operating model. In this regard, we are accountable for continuing to incorporate sustainable practices into our daily business activities, engaging with our suppliers, business partners, customers, employees, and the community in which we operate. This is especially important as the operating environment has experienced climate changes such as extreme weather events, resulting in supply chain disruptions, changes in consumer preferences and expectations and other environmental adverse effects such that we must take necessary actions to manage.

As we aim to sustain this robust performance, we acknowledge our responsibility to incorporate sustainable practices into our daily operations. This commitment extends to our interactions with suppliers, business partners, employees, customers, and the communities in which we operate.

In FY2024, Taka generated approximately S\$146.8 million in total revenue, an increase of 1% from the previous financial year ("FY2023"). Correspondingly, our gross profit rose 1%, from S\$42.3 million to S\$42.7 million, and our net attributable profit for the year increased to S\$10.3 million from S\$8.9 million.



In view of the current global economic situation, where growth is slowing, trade tensions, regional conflicts, a high-interest rate environment and climate change are causing disruption in the supply chain, we have to adapt to new ways of managing the business and adopt more effective techniques to increase sales and continually seek methods to manage costs and improve efficiency. In light of operating in such a challenging environment, we are pleased to achieve a 1% increase in revenue and a 16% increase in net profit year-on-year. In the year ahead, we need to take advantage of opportunities and stay relevant to the changing trends affecting luxury items and consumer demands by bringing to the market product offerings that can cater to their needs. This will be supported by a renewed focus on enhancing and streamlining our processes at every stage of our business operations to solidify our Taka branding. Further details on Taka's economic performance can be found in the FY2024 Annual Report.

CORPORATE GOVERNANCE & ANTI-CORRUPTION

As an organisation conscientious of our governance posture, Taka is committed to conducting all aspects of our operations ethically and in strict adherence to the law. We uphold the core principles of sound corporate governance, including fairness, accountability, responsibility, and transparency. To ensure these principles are upheld throughout the organisation, we have implemented a comprehensive framework of corporate governance policies and procedures that are communicated to all our employees.

Our corporate governance guidelines and protocols have been meticulously crafted to align with the Code of Corporate Governance and Practice Guidance issued by the Singapore Exchange ("**SGX**") on August 6, 2018, and subsequently updated on March 25, 2022. These guidelines serve as our blueprint for maintaining high standards of governance, fostering trust among stakeholders, and sustaining ethical practices across all facets of our business operations.

Whistle-Blowing Policy

The Group has instituted a whistle-blowing policy to provide a direct channel by which employees and other stakeholders can inform us about possible improprieties relating to financial reporting, employee misconduct, unlawful activities and other unethical behaviour. Employees will be protected against reprisals or victimisation when they submit a whistle-blowing report in good faith and without malice. Following the completion of its investigation(s), the Audit Committee will take the appropriate disciplinary action against the wrongdoer(s) in the event that any incidence of unethical conduct or malpractices were identified.

We regularly review the Group's whistle-blowing policy, and an up-to-date copy of the policy is stored on the Group's internal shared drive to facilitate easy access. In addition, the whistleblowing policy is also in the human resource management system ("**HRMS**") where access by all employees for their reference when needed.

Anti-Money Laundering Policy

As a licensed pawnbroker and precious stones and metals dealer, it is important that we are vigilant in detecting and reporting suspicious transactions. Under our anti-money laundering framework, we periodically review unusual cash transactions involving abnormally large amounts of money or a sudden surge in activity level, and all suspicious transactions are to be reported to the Suspicious Transactions Reporting Office of the Commercial Affairs Department of Singapore.

Our employees have attended training and received updates on any new notices issued by the Ministry of Law in order to stay well informed with the latest regulations, and they receive regular communications on updates to Taka's anti-money laundering framework. This aids our staff in detecting and assessing whether our customers' transactions raise any suspicion.

Conflict of Interest Policy

The Board has also set out a framework to identify and manage potential conflicts of interest faced by key management and the Group's personnel. As and when direct or indirect conflicts of interest related to the Group's transactions arise, employees are required to complete a conflict-of-interest declaration. This conflict of interest policy is also easily access by all employees in the HRMS.

Code of Ethics

Our employees are also expected to abide by the standards of conduct outlined in the Employee Handbook and Taka's Code of Corporate Governance. They are required to protect the interests of the Company by safeguarding sensitive and confidential information while upholding the highest standards of professional ethics in their business conduct.

CORPORATE GOVERNANCE & ANTI-CORRUPTION

Risk Management

The Board of Directors, supported by the Audit Committee, holds ultimate responsibility for the Group's risk governance. We have implemented comprehensive internal controls on key operations to mitigate our financial, operational, compliance, and information technology risks. Independent audits and regular reviews by the senior management team are conducted to ensure the effectiveness of these controls.

Please refer to our FY2024 Annual Report for more information on our corporate governance structure and practices.

Overall, we are pleased to disclose that there have been zero reported cases of corruption, money laundering or other improprieties in FY2024. We aim to maintain this record of zero reported cases and will continue to conduct relevant training for our employees.



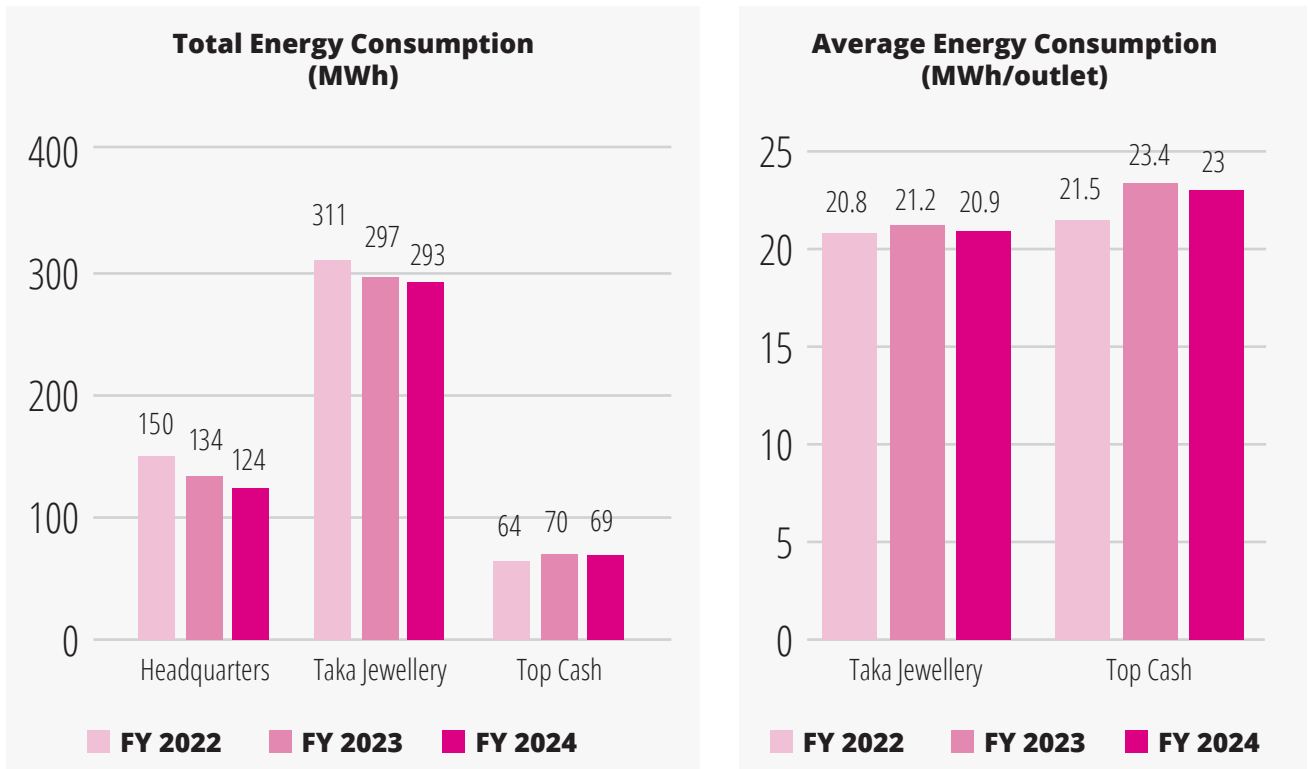
ENERGY

At Taka, we maintain a focus on our sustainability goals and performance. In terms of environmental factors, we remain committed to doing our part to keep the shared environment healthy and sustainable. This is achieved by taking appropriate steps to minimise carbon emissions. We will continue to review and evaluate our practices to ensure that we conduct our business in a sustainable manner by constantly identifying efficient and practicable ways to implement energy conservation measures and reduce our carbon emissions in the environment in which we operate.

As mentioned in our previous sustainability report, due to the nature of our business in jewellery retail trade, the lighting provided on our products significantly affects the perceived aesthetics of the jewellery pieces on display. Keeping this in mind, we are constantly seeking newer and more efficient lighting technologies, such as brighter LEDs, to conserve energy and create the necessary lighting conditions. Having implemented LED lighting where possible, we have noted improvements in energy consumption, with energy savings based on the data we have presented.

We will continue to focus on other areas of energy savings, including using LED lighting where possible, deploying office equipment in energy-saving standby mode when not in use, and setting air-conditioning temperatures to acceptable comfort levels. Our aim is to reduce our carbon emissions by at least 1% annually through significant reductions in energy consumption.

For FY2024, our carbon emission was 202.57 tonnes of carbon dioxide equivalent (“tCO₂e”) as compared to 208.82 tCO₂e in FY2023, which is a 3% reduction in total carbon emission generated. As such, our FY2023 target in this relation has been met. Over the years, our total energy consumption has been steadily decreasing in our headquarters, Taka Jewellery stores and Top Cash outlets¹, as detailed in the following figures.



The reduction in energy usage is due to employees carefully switching off lights in unused meeting rooms, putting devices such as copiers into standby mode and using energy-saving LED lighting. Going forward, we will keep tracking our electricity consumption and adopt additional energy-saving strategies to enhance our environmental performance further.

¹ Energy consumption statistics from one of our four Top Cash outlets have been omitted due to data availability constraints.

Metrics and Targets

Greenhouse gas emissions and related risks

Amidst increasing global apprehensions regarding climate change, businesses face heightened expectations from governments and consumers alike to measure and mitigate their greenhouse gas ("GHG") emissions. Acknowledging this urgency, we are dedicated to evaluating our carbon footprint and implementing initiatives aimed at its reduction.

Beginning in FY2024, we have initiated the quantification of our GHG emissions utilising the calculation methodology specified in the Greenhouse Gas Protocol. FY2024 serves as our baseline year, establishing a framework for monitoring and evaluating our advancements in managing GHG emissions in the future.

The following tables illustrate the total GHG emissions produced by the Group for FY2024. We adopted the operational control method for our consolidation approach.

Currently, Scope 1 emissions are not being considered. We plan to explore ways to monitor and manage Scope 1 emissions in the coming years

Scope 2 emissions

	TOTAL ELECTRICITY USED (kWh)	TOTAL EMISSIONS ² (tCO ₂ e)
FY2024	486,000	202.57
FY2023	501,000	208.82

Our Scope 2 emissions are attributable to our purchase of electricity from the national grid for our retail outlets.

² CO₂ emissions from electricity use are calculated based on the Singapore Energy Market Authority's published Grid Emission Factor for the year 2022, which is 0.417.

EMPLOYMENT

Our employees are our most valuable assets, crucial to ensuring the sustainability of our business. Investing consistently in their professional development is essential to maintaining high levels of sustained performance. We take pride in creating a workplace where our employees feel valued, empowered to grow, contribute meaningfully and make a difference in our daily operations.

Recognising the importance of a balanced work-life for our employees, we have taken proactive steps to enhance their well-being. Management has adjusted and increased staff leave entitlements and introduced flexible benefits such as allowances for health supplements, gym memberships and personal grooming expenses. We have also expanded healthcare coverage for outpatient and specialist medical consultations. Additionally, our HRMS has been upgraded to enable easier access via mobile devices for all HR-related tasks, including claims, leave approvals, and performance appraisals.

Operating in a service industry that serves customers from all walks of the community, Taka also recognises the value of having a diverse and skilled workforce and, as such, is committed to creating and maintaining an inclusive and collaborative workplace culture in which all can thrive and progress together. We provide equal opportunity in all aspects of employment and ensure that the workplace is free from any form of discrimination or harassment. Taka will continue to strive and maintain a zero complaints of workplace discrimination and unfair practices. Additionally, there were zero complaints regarding employee discrimination and unfair practices reported in FY2024.

For FY2024, we employed a total of 159 employees (FY2023: 151 employees). Over the reporting period, we had a total of 30 new employee hires (17 female, 13 male), with 28 employees (16 female, 12 male) leaving the Group.

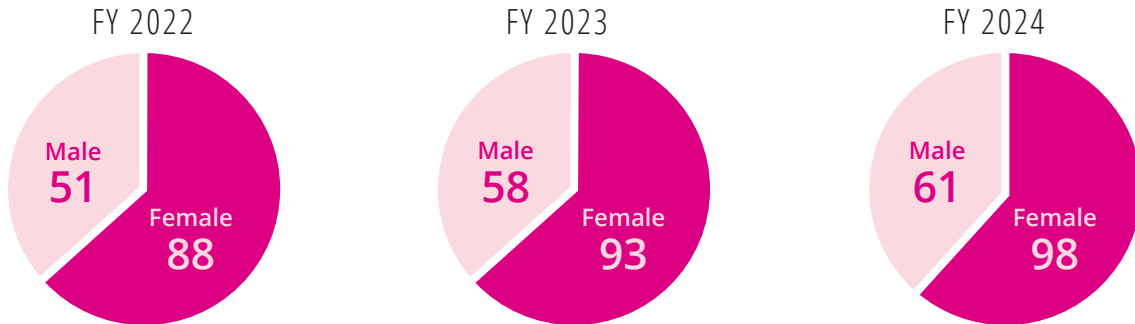
To maintain high motivation among our employees, we focus on offering access to training and professional development opportunities, competitive salary packages, and fair working conditions. Beyond our statutory contributions to the Central Provident Fund (“CPF”), we also provide all full-time employees an attractive benefits package that includes medical insurance, compassionate leave and childcare leave.

GRI 401-3	FY2023			FY2024		
	Female	Male	Total	Female	Male	Total
Number of employees who took parental leave	25	25	50	24	19	43
Number of team members who returned to work at the end of parental leave	23	21	44	23	17	40
Number of team members who returned to work and were still employed 12 months later	23	21	44	23	17	40
Return to work rate (%)	92	84	88	96	89	93
Retention rate (%)	92	84	88	96	89	93

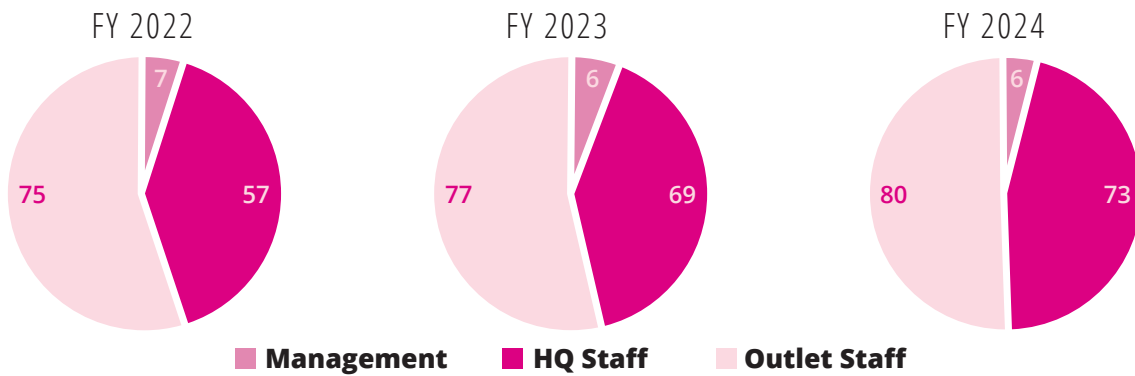
EMPLOYMENT

Further details on our employee profile are as follows:

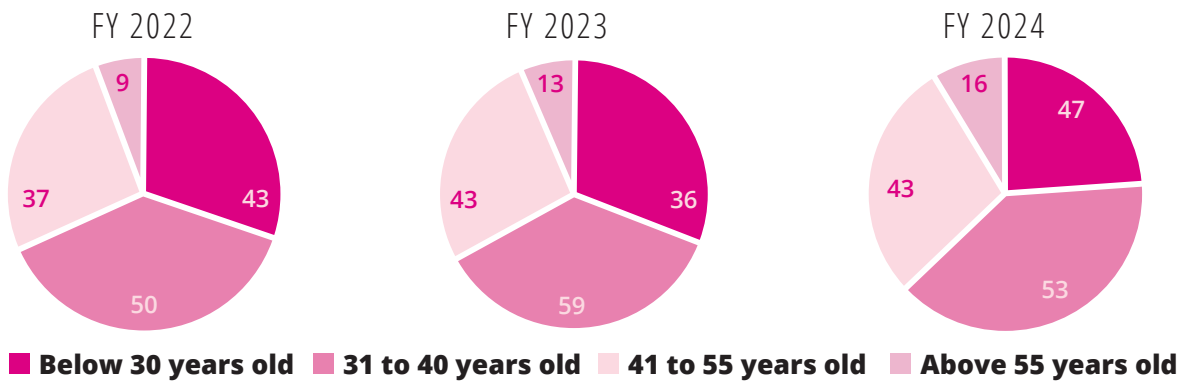
Employees by Gender



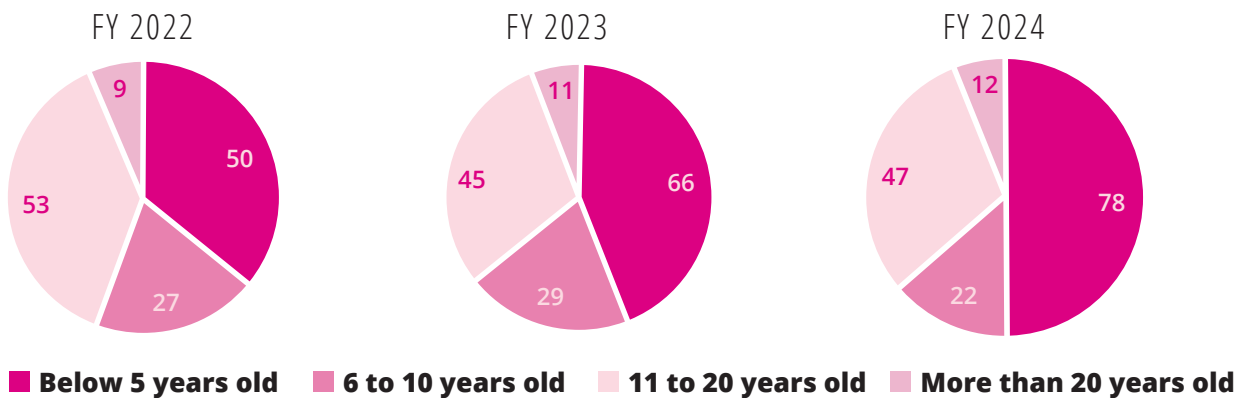
Employees by Function



Employees by Age Group



Employees by Years of Service



LOCAL COMMUNITIES

In our business, the long-term sustainable success of our organisation will depend on all segments of society and the benefits they derive from the prosperity of economic growth and advancement. As such, we believe in an equitable and inclusive business model that benefits everyone, with a particular focus on vulnerable segments of society, underserved and disadvantaged communities. Therefore, we will constantly review our ongoing operations and develop programmes to support an inclusive society, bringing positive effects on the communities to emerge stronger than before.

In demonstrating our continual commitment to giving back to our community, we collaborated with The Salvation Army Singapore Red Shield Industries by donating “as-good-as-new” items and other pre-loved items contributed by our staff members. Staff can contribute by dropping off the items at the Salvation Army Red bins located within our HQ premises. As a result of this community initiative, we have donated approximately 470 kg worth of items to good causes. Through this meaningful collaboration with the Red Shield Industries, which is the social enterprise arm of The Salvation Army, these donations in-kind contributed by our staff are reused, recycled, and restored and sold at the Family Thrift Stores operated by The Salvation Army, with the income generated used to provide holistic care to the community.



Salvation Army Red bin located within our HQ premises

CUSTOMER PRIVACY

In our business, obtaining customer data forms part of our daily operations due to regulatory requirements. Therefore, in this regard, it is important that we safeguard our customer data and their privacy. We are transparent about the reasons for collecting customer data and ensure that it is handled in a secure manner and retained only for the period necessary. To ensure the trust our customers have in us, the data is only handled by authorised personnel and protected in a secure environment.

Protecting our customers' data privacy is a top priority at Taka. We are governed by the guidelines provided by the Personal Data Protection Act ("**PDPA**") and other related regulations directed by the Personal Data Protection Commission ("**PDPC**"). Customer data and related sensitive information are stored in a secure environment, and we have established the necessary processes and controls in place to mitigate any risk of data breaches across the Group.

Our data is stored within a secure operating environment, and regular checks are conducted to ensure our IT system and infrastructure are properly protected to prevent any unauthorised external intrusions. Additionally, our IT department performs continuous reviews and updates on the latest cybersecurity measures, including the deployment of anti-virus security software and firewall protection, coupled with active password management practices to ensure that our data protection stance is current. Only certain employees have access rights to sensitive data, and CCTV surveillance is installed to monitor the office premises to deter and detect any unauthorised entry and access. All necessary data are only stored within the stipulated timeframe as required by regulators. After the retention period, unwanted data will be properly disposed of.

Furthermore, we have appointed a dedicated Data Protection Officer within the organisation. This officer oversees our data protection efforts, ensures compliance with PDPA regulations, and promotes best practices in data protection across the organisation.

In FY2024, we are delighted to announce that no substantiated grievances concerning breaches of customer privacy or PDPA violations were lodged. Furthermore, there have been no instances of customer data leaks, thefts, or losses.

By consistently striving to safeguard the security, confidentiality, and integrity of our customers' data, we aim to continue upholding this track record in the years ahead.

TCFD RELATED DISCLOSURES

Governance

Board's oversight of climate-related risks and opportunities

Our Board remains committed to staying abreast of ESG issues and actively participates in biannual seminars dedicated to this subject to stay informed about regulatory updates. Climate-related concerns are deliberated by the Board during strategy reviews, major planning efforts and the formulation of risk management policies. These considerations extend to annual budgeting, business planning processes and the integration of ESG criteria into organisational performance objectives. The Board oversees the implementation and outcomes of these goals and also provides oversight on significant capital investments, acquisitions and divestitures with a focus on sustainability impacts. The board is informed about climate-related issues through various channels, including presentations from external parties during board meetings. These updates are provided regularly, with the board and/or board committees receiving information on climate-related risks and opportunities during these meetings.

Management's role in assessing and managing climate-related risks and opportunities

Under the guidance of the Board, our Sustainability Committee formulates and implements strategies aimed at addressing climate-related challenges, integrating considerations of climate risks and opportunities into the Group's operational and decision-making processes. The committee regularly submits annual reports to the Board for feedback and potential improvements. Furthermore, the Sustainability Committee remains updated on developments in climate-related issues through active engagement in ESG & Sustainability seminars, conferences and forums, often leveraging insights from external ESG consultants to enhance its initiatives.

TCFD RELATED DISCLOSURES

Our phased approach towards full adoption of the TCFD recommendations is reflected in the implementation timeline below. For details, including implementation timeline, please refer to the TCFD Content Index on page 38 of this Sustainability Report:

TCFD PILLAR	IMPLEMENTATION YEAR	
	YEAR 1 (FY2024)	FUTURE YEARS
Governance	Described the governance structures, including Board oversight and management's role.	Implemented
Strategy		Identify the climate-related risks, opportunities, and impacts. Scenario analysis with quantitative outcomes.
Risk management		Describe the processes for identifying, assessing and managing climate-related risks and how this is integrated with the organisation's overall risk management.
Metrics and Targets	Calculated Scope 1 and Scope 2 GHG emissions	Metrics used for assessment. Targets in quantitative terms.

GRI CONTENT INDEX

Statement Of Use **Taka Jewellery Holdings Limited has reported with reference to the GRI Standards for the period starting 1 July 2023 to 30 June 2024.**

GRI 1 Used GRI 1: Foundation 2021

GRI Standard	Disclosure	Page No.		
GRI 2: General Disclosures 2021	The organisation and its reporting practices			
	2-1	Organisational details	17-18	
	2-2	Entities included in the organisation's sustainability reporting	18	
	2-3	Reporting period, frequency and contact point	16	
	2-4	Restatements of information	29	
	2-5	External assurance	16	
	Activities and workers			
	2-6	Activities, value chain and other business relationships	19	
	2-7	Employees	30-31	
	Governance			
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TCFD CONTENT INDEX

Disclosure Focus Area	Recommended Disclosure	Page/Remarks/ Reasons for Omission
Governance		
Disclose the organisation's governance around climate-related risks and opportunities.	<p>a. Describe the board's oversight of climate-related risks and opportunities.</p> <p>b. Describe management's role in assessing and managing climate-related risks and opportunities.</p>	Page 34
Strategy		
Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning where such information is material.	<p>a. Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.</p> <p>b. Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.</p> <p>c. Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.</p>	<p>The Group plans to include this in our FY2025 sustainability report.</p> <p>The Group plans to include this in our FY2026 sustainability report.</p>
Risk Management		
Disclose how the organisation identifies, assesses, and manages climate-related risks.	<p>a. Describe the organisation's processes for identifying and assessing climate-related risks.</p> <p>b. Describe the organisation's processes for managing climate-related risks</p> <p>c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.</p>	The Group plans to include this in our FY2025 sustainability report.
Metrics and Targets		
Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	<p>a. Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.</p> <p>b. Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.</p> <p>c. Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.</p>	<p>The Group plans to include this in our FY2025 sustainability report.</p> <p>Page 29</p> <p>The Group plans to include this in our FY2026 sustainability report.</p>

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CORPORATE GOVERNANCE REPORT

Taka Jewellery Holdings Limited (the “**Company**”, and together with its subsidiary, the “**Group**”), views corporate accountability, transparency and sustainability as strategic tools for enhancing long-term shareholders’ value and is committed to observing high standards of corporate governance.

This report describes the Company’s corporate governance practices that were in place throughout the financial year ended 30 June 2024 (“**FY2024**”), with specific reference made to the Code of Corporate Governance 2018 (“**2018 Code**”) and its related PG as well as the disclosure guide developed by the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) in January 2015 (the “**Guide**”). The Company has complied with the principles and guidelines as set out in the 2018 Code and the Guide, where applicable. Appropriate explanations and/or alternative corporate governance practices adopted by the Company have been provided in the relevant sections below where there are deviations from the 2018 Code and/or the Guide.

BOARD MATTERS

The Company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the Company.

PRINCIPLE 1: THE BOARD’S CONDUCT OF AFFAIRS

As at the date of this report, the Board of Directors (the “**Board**”) is made up of the following members:

Provision 1.1 of the 2018 Code:

- Dr. Tan Kia King, Non-Executive Chairman and Independent Director*
- Teo Boon Leng, Managing Director
- Ang Kah Leong, Executive Director
- Kuan Cheng Tuck, Independent Director*
- Young Sau Kwan Joanna, Independent Director*

Directors are fiduciaries who act objectively in the best interests of the Company

* Appointed on 25 October 2023.

The Board sets the tone for the Group in respect of ethics, values and desired organisational structure, and ensure proper accountability within the Group.

Besides carrying out its statutory responsibilities, the Board’s role is to:

- 1.1 Approve the board policies, strategies (including sustainability issues) and financial objectives of the Company and monitor the performance of management;
- 1.2 Oversee the processes for evaluating the adequacy of internal controls, risk management, financial reporting and compliance;
- 1.3 Approve the nominations of directors and appointment of key personnel;
- 1.4 Align the interests of the Board and Management with that of shareholders and balance the interest of all stakeholders; and
- 1.5 Ensure compliance with all laws and regulations as may be relevant to the business.

The Board exercises due diligence and independent judgement in dealing with the business affairs of the Group and is obliged to act in good faith and take objective decisions as fiduciaries and in the interests of the Group.

CORPORATE GOVERNANCE REPORT

The Board adopted a Code of Business Conduct and Ethics for Directors which establishes the fundamental principles of professional and ethical conduct expected of the Directors in the performance of their duties. The Company has in place practices to address potential conflicts of interests. All Directors are required to notify the Company promptly of all conflicts of interest as soon as practicable as well as when required or during the Board Meeting as required. When an actual, potential and perceived conflict of interest arises, the concerned Director must recuse himself from all discussions and decisions involving the matter and abstain from voting on resolutions regarding the matter, unless the Board is of the opinion that the participation of the conflicted Director is of the best interest to the Company.

All Directors are aware of their fiduciary duties and are committed to exercising due care and diligence in making their decisions and to objectively discharge their duties and responsibilities in the best interest of the Company. Aside from their statutory duties, the key roles of different classes of Directors are set out below:

Provision 1.2 of the 2018 Code:

- Executive Directors are members of the management team of the Company (the "**Management**") who are involved in the day-to-day operations of the Group's business. They work closely with the Independent Directors on the long-term sustainability and success of the Group. They provide insights and recommendations on the Group's operations at the Board and Board Committee meetings.
- Independent Directors do not participate in the day-to-day operations of the Group's business and are deemed independent by the Board. They provide independent and objective advice and insights to the Board and the Management. They constructively challenge the Management on its decisions and contribute to the development of the Group's strategic goals and policies. They participate in the review of the Management's performance in achieving the strategic goals as well as the appointment, assessment and remuneration of the Executive Directors and key personnel.

Directors' duties, induction, training and development

The Executive Directors are appointed by way of service agreements while the Independent Directors are appointed by way of letters of appointment. The duties and responsibilities of Directors are clearly set out in these service agreements and letters of appointment.

All new Directors would be briefed on the Group's industry, business, organisation structure, and strategic plans and objectives. Relevant policies and procedural guidelines would also be provided. Orientation for new Directors includes visits to the Group's key premises to familiarise themselves with the operation and meet with key management personnel.

The Company ensures that the Directors are kept up to date on pertinent developments including the Group's business, financial reporting standards and industry-related matters. Such periodic updates provided to the Directors facilitate the discharge of their duties. The Directors are also encouraged to keep abreast of developments in legal, regulatory and accounting frameworks, corporate governance, sustainability and cybersecurity that are of relevance to the Group through the extension of opportunities for participation in training courses, seminars and workshops as relevant and/or applicable, with the cost of such training borne by the Company. At each Board meeting, the Managing Director (the "**MD**") updates the Board on the business and strategic developments of the Group.

The Board values on-going professional development and recognises that it is important that all Directors receive regular training so as to be able to serve effectively on and contribute to the Board. To ensure Directors can fulfil their obligations and to continually improve the performance of the Board, all Directors are encouraged to undergo continual professional development during the term of their appointment.

CORPORATE GOVERNANCE REPORT

The Company will conduct briefings and orientation programs to familiarise newly appointed Directors with the various businesses, operations and processes of the Group. Further, newly appointed Directors will be provided with a formal service agreement or letter of appointment (whichever applicable), setting out their duties and obligations and appropriate training to ensure that they are fully aware of their responsibilities and obligations as a Director of a listed company. In addition, as required under the Catalist Rules, all first-time Directors (who have no prior experience as a director in a listed company on the SGX-ST) are also required to attend the Listed Entity Director (LED) Programmes offered by the Singapore Institute of Directors (“**SID**”), or the Board Of Directors (BOD) Masterclass Programme jointly offered by the Institute of Singapore Chartered Accountants and SAC Capital, within 1 year from the date of his/her appointment.

During FY2024, the Directors were provided with updates on changes in laws and regulations, including the Companies Act 1967 (“**Companies Act**”), Catalist Rules and the 2018 Code, which are relevant to the Group. The external auditors regularly update the Audit Committee and the Board on the developments in the Singapore Financial Reporting Standards (International) (“**SFRS(I)**”) which are applicable to the Group. Changes to regulations and accounting standards are monitored closely by the Management. The Company Secretary also briefed the Board on regulatory changes, such as changes to the Companies Act, 2018 Code and/or the Catalist Rules. In addition, the Management regularly updates and familiarises the Directors on the business activities of the Group during Board and Board Committee meetings.

The Nominating Committee evaluates the individual Directors’ competencies and recommends to the Board on training and development programmes for each Director, where applicable and/or required. The Directors are also encouraged to attend relevant seminar and training programmes to enhance their skills and knowledge, the expenses of which will be borne by the Company.

Although the day-to-day management of the Company is delegated to the Executive Directors, there are matters which are required to be decided by the Board as a whole.

Provision 1.3 of the 2018 Code:

Matters and transactions that require the Board’s approval include, amongst others, the following:

Matters requiring Board’s approval

- Changes to the Group’s capital structure and corporate structure;
- Material investments, acquisitions and disposals of assets;
- Material capital expenditure;
- Material Group policies;
- Recommendation/declaration of dividend;
- Annual budgets, financial statements (interim and full year), annual reports, circulars to shareholders and announcements to be submitted to the SGX-ST; and
- Appointment or removal of Directors, company secretary and Executive Officers of the Company.

CORPORATE GOVERNANCE REPORT

Certain important matters could be subject to the recommendation by the respective Board Committees. Matters which the Board considers suitable for delegation to the Board Committees are contained in the terms of reference of the respective Board Committees.

Provision 1.4 of the 2018 Code:

Board Committees, namely Audit Committee (“**AC**”), Nominating Committee (“**NC**”) and Remuneration Committee (“**RC**”), have been established to assist the Board. Each Board Committee has its own terms of reference, setting out the composition, authorities and duties, which are approved by the Board. All Board Committees are chaired by an Independent Director. While these Board Committees are delegated with certain responsibilities, the responsibility for decisions relating to matters under the purview of the Board Committees ultimately lies with the entire Board.

Board Committees

The composition of the Board Committees are as follows:-

Directors	Board membership	Audit committee ⁽¹⁾	Nominating committee ⁽¹⁾	Remuneration committee ⁽¹⁾
Dr. Tan Kia King ⁽²⁾	Non-Executive Chairman and Independent Director	Member	Member	Chairman
Teo Boon Leng	Managing Director	-	-	-
Ang Kah Leong	Executive Director	-	-	-
Kuan Cheng Tuck ⁽²⁾	Independent Director	Chairman	Member	Member
Young Sau Kwan Joanna ⁽²⁾	Independent Director	Member	Chairman	Member

Notes:

- (1) Each of the AC, NC and RC comprises 3 members, all of whom are independent and non-executive Directors.
- (2) Appointed on 25 October 2023.

The terms of reference of the respective Board Committees, which are reviewed by the Board on a regular basis, as well as other relevant information on the Board Committees can be found in the subsequent sections of this report.

Board and Board Committee meetings are held regularly, with Board and AC meetings to be held at least twice a year and RC and NC meetings to be held at least once a year. Board and Board Committee meetings and annual general meetings are scheduled in advance to facilitate the Directors’ attendance. Ad-hoc meetings will be convened when the Board’s guidance or approval is required, in addition to the scheduled Board meetings.

Provision 1.5 of the 2018 Code:

Attendance and participation in Board and Board Committee meetings

In accordance with the Company’s Constitution, a Director who is unable to attend a Board meeting in person can still participate in the meeting via telephone conference, video conference, audio visual or by means of a similar communication equipment or similar communication means whereby all persons participating can hear each other. Important matters concerning the Group can also be put to the Board and Board Committees for decision by way of written resolutions.

CORPORATE GOVERNANCE REPORT

The attendance of each Director at meetings of the Board and Board Committees during FY2024 is disclosed as follows:

Attendance at Board and Board Committee Meetings

	Board	AC	NC	RC
Number of scheduled meetings held	2	2	1	1
Name of Director				
Dr. Tan Kia King [#]	1	1	0	0
Teo Boon Leng	2	2*	1*	1*
Ang Kah Leong	2	2*	1*	1*
Kuan Cheng Tuck [#]	1	1	0	0
Young Sau Kwan Joanna [#]	1	1	0	0
Goh Yeow Tin [@]	1	1	1	1
Chua Kern [@]	1	1	1	1
Lu King Seng ^{&}	1	1	1	1

* *By invitation*

Appointed on 25 October 2023

@ *Retired on 25 October 2023*

& *Resigned with effect from 31 December 2023*

The Company's Constitution allows for meetings to be held through telephone and/or videoconference.

When a Director has multiple board representations, the NC also considers whether such a Director is able to and has adequately carried out his duties as a Director of the Company, taking into consideration the Director's number of directorships in listed company(ies), board representations and other principal commitments. In support of their candidature for directorship or re-election, Directors are to provide the NC with details of their other commitments and an indication of the time involved.

The Board and the NC have established a guideline on the maximum number of listed company directorships and other principal commitments that each Director is allowed to hold, and this guideline can be found under Principle 4 of this report.

The Management recognises that relevant, complete and accurate information need to be provided to the Directors prior to meetings and on an on-going basis to enable the Directors to make informed decisions and discharge their duties and responsibilities effectively and efficiently.

Management provides the Board with key information that is complete, adequate and timely prior to meetings and whenever required.

The Management provides members of the Board with half yearly financial results announcements, as well as relevant background information relating to the matters that are discussed at the Board and Board Committee meetings. Such reports keep the Board informed of the Group's performance, financial position and prospects, and consist of the consolidated financial statements, major operational updates, background or updates on matters before the Board for decision or information. The Board is also provided with minutes of the previous Board meeting, and minutes of meetings of all Board Committees held. Detailed board papers are sent out to the Directors at least seven working days before the scheduled meetings so that the Directors may better understand the issues beforehand, allowing for sufficient time at such meetings for questions that Directors may have.

Provision 1.6 of the 2018 Code:

Complete, adequate and timely information to make informed decisions

CORPORATE GOVERNANCE REPORT

Any additional materials or information requested by the Directors are promptly furnished. If necessary, management staff who are able to explain and provide insights to the matters to be discussed are invited to make the appropriate presentation and answer any queries that the Directors may have.

The Management will also inform the Board of all significant events as and when they occur and circulate Board papers and supporting information on major transactions to facilitate a robust discussion before the transactions are entered into.

The Board has, at all times, separate and independent access to the Management, the company secretaries and external professionals, including the sponsor, company secretary, external auditors and internal auditors.

The role of the company secretary is clearly defined and includes:

- Attending all Board and Board Committee meetings and ensuring that meeting procedures are followed;
- Together with the Board and Management, ensure that the Company complies with all relevant requirements of the Companies Act and the Catalist Rules;
- Advising the Board on all corporate governance matters; and
- Ensuring adequate and timely flow of information within the Board and Board Committees and between the Management and the Board.

The appointment and removal of the company secretary are subject to the approval of the Board as a whole.

Individually or collectively, in order to execute their duties, Directors can obtain independent professional advice at the Company's expense where required.

The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the company.

Board Independence

There is a strong independent element on the Board with independent Directors constituting at least one-third of the Board. Currently, the Board consists of five Directors of whom three are independent and non-executive.

In view that the Chairman is independent, the Company complies to Provision 2.3 of the Code as the Non-executive Directors make up a majority of the Board.

Provision 1.7 of the 2018 Code:

Separately independent access to Management, company secretary and external advisers; Appointment and removal of the company secretary

PRINCIPLE 2: BOARD COMPOSITION AND GUIDANCE

Provision 2.1 of the 2018 Code:

Director independence

Provision 2.2 of the 2018 Code:

CORPORATE GOVERNANCE REPORT

The Board considers the existence of relationships or circumstances, including those identified by the 2018 Code and Catalist Rules, that are relevant to determine whether a Director is independent. The independence of each Director is reviewed annually by the NC. Each Independent Director is required to complete a checklist annually to confirm his independence. The checklist is drawn up based on the guidelines provided in the 2018 Code and the Catalist Rules. The NC adopts the 2018 Code's definition of what constitutes an "independent" Director in its review. The NC has reviewed and confirmed that the independence of the Independent Directors is in accordance with the Code, and Catalist Rules.

Independent directors make up a majority of the Board

Provision 2.3 of the 2018 Code:

Non-executive directors make up a majority of the Board

On 11 January 2023, Singapore Exchange Regulation ("**SGX RegCo**") announced the amendment of Listing Rule on limit of nine years tenure of independent directors ("**IDs**") serving on the boards of listed companies and to remove the two-tier vote mechanism for listed companies to retain long-serving IDs who have served for more than nine years. The two-tier vote was removed on 11 January 2023. As transition, IDs whose tenure exceed the nine-year limit can continue to serve as independent directors until the listed companies' annual general meeting held for the financial year ended on or before 31 December 2023. There are no Independent Directors who have served on the Board for more than nine years as at the date of this Annual Report.

Mr. Goh Yeow Tin and Mr. Chua Kern retired and did not seek for re-election as independent directors of the Company at the AGM held on 25 October 2023. Mr. Lu King Seng also ceased as an ID of the Company on 31 December 2023 for the same reason.

Dr. Tan Kia King, Ms. Young Sau Kwan Joanna and Mr. Kuan Cheng Tuck have been appointed as independent directors of the Company at the AGM held on 25 October 2023.

There are no Directors who are deemed independent by the Board, notwithstanding the existence of a relationship that would otherwise deem him or her not to be independent.

An Independent Director shall immediately disclose to the NC any relationships or circumstances that could interfere, or be reasonably perceived to interfere, with the exercise of his or her independent business judgement in the best interests of the Company. As at the end of FY2024, the NC and the Board have reviewed and ascertained that all Independent Directors namely, Dr. Tan Kia King, Ms. Young Sau Kwan Joanna and Mr. Kuan Cheng Tuck are independent according to the 2018 Code, and Rules 406(3)(d)(i) and 406(3)(d)(ii) of the Catalist Rules and noted that none of the Independent Directors have any relationship with the Company, its related corporations, substantial shareholders or officers, which could interfere or be perceived to interfere with the Director's independent judgement.

Board Diversity

Provision 2.4 of the 2018 Code:

The Company has in place the Board Diversity Policy with a view to achieving a sustainable and balanced development as the Company sees diversity at the Board level as an essential element in supporting the attainment of its strategic objectives and its sustainable development. In designing the Board's composition and selection of new Board members, the Board strive to ensure that:

Size and composition of the Board and Board Committee; Board diversity policy

- (a) All candidates are included for consideration during the search for new appointments to the Board regardless of gender, age, nationalities or ethnicity;
- (b) There is an appropriate mix of gender representation on the Board, taking into account the skills and experience the candidates can contribute; and
- (c) External search consultants when looking for suitable candidates for appointment to the Board will be specifically directed to include diverse candidates and women candidates in particular.

CORPORATE GOVERNANCE REPORT

In reviewing the composition of the Board, the NC considers the benefits of Board diversity from a number of aspects, including but not limited to gender, age, educational background, professional experience, skills and knowledge. All Board appointments will be based on meritocracy, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board.

The NC will strive to ensure that:

- External search consultants are engaged to search for candidates for Board appointments, if required; and
- At least one female Director be appointed to the NC.

The Board is mindful that diversity is not specific to gender or certain personal attributes and would strive to ensure that diversity would enhance the long-term success of the Group. The benefits of Board diversity could only be harnessed if Directors adopt an independent mindset when carrying out their responsibilities. In order to gather and leverage on diverse perspectives, the Non-executive Chairman and Independent Director strives to cultivate an inclusive environment where all Directors are able to speak up and participate in decision making.

The ultimate decision for new Board appointments will be based on merit and contribution that the selected candidates are expected to bring to the Board.

The Board has examined its size and is of the view that it is a diversified board, including gender diversity, and is of an appropriate size for effective decision-making, considering the nature and scope of the Group's operations. No individual or small group of individuals dominate the Board's decision making. The Board and Board Committees have an appropriate balance and mix of skills, knowledge and experience in the Group's core businesses and the areas of accounting and finance, legal and regulatory compliance, business management and risk management.

The Board took the following steps to maintain or enhance its balance and diversity:

- Annual review by the NC to assess if the existing attributes and core competencies of the Board are complementary and enhance the efficacy of the Board; and
- Annual evaluation by the Directors of the skill sets the other Directors possess, with a view to understand the range of expertise which is lacking, if any, by the Board.

The NC will consider the results of these exercises in its recommendation for the appointment of new directors and/or the re-appointment of incumbent directors.

The NC has classified into the following core competencies, skills, experiences and knowledge of Directors for FY2024:

Balance and Diversity of the Board	Number of Directors in FY2024	Proportion of Board members of 5
Core Competencies		
Accounting & Finance	2	40%
Business and Management	3	60%
Strategic Planning	3	60%
Taxation	2	40%
Legal and Regulatory	2	40%

CORPORATE GOVERNANCE REPORT

The Company strives to achieve the following Board Diversity Targets:

Targets	Progress
(1) The majority of the Board members are to be independent.	As at 30 June 2024, the Board of Directors comprises 5 members in FY2024, three of whom are Non-Executive Independent Directors. With more than half of the Board members are independent directors, the target has been achieved.
(2) To bring in female representation on the Board.	As at 30 June 2024, the Company has one female representation on its Board. As such, the target has been achieved.
(3) Maintain age diversity.	As at 30 June 2024, the Company has 40% on the Board age above 70s with remaining directors age below 70s. The Board will continue maintaining this Target.
(4) Achieving a balance of skill set on the Board to achieve the Company's strategic objectives.	The NC and the Board had reviewed the skill matrix and are satisfied that the current Board members have the appropriate skill set to lead and govern the Group effectively.

The profiles of the Directors are set out in the "Board of Directors" section of the Annual Report.

To facilitate a more effective check on the Management, the Independent Directors meet at least once a year with the internal and external auditors without the presence of the Management. The Independent Directors also communicate with each other from time to time without the presence of the Management to discuss the performance of the Management and any matters of concern. Feedback arising from such meetings or discussions is provided to the Board or Non-executive Chairman and Independent Director, as appropriate.

For FY2024, the AC met once with the external and internal auditors without presence of the Management. This meeting enabled the external and internal auditors to raise issues encountered in the course of their work, if any, directly to the AC.

There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.

The Board is chaired by Dr. Tan Kia King, Non-executive Chairman and Independent Director of the Company while Mr. Teo Boon Leng, is the Managing Director ("MD") of the Company. Accordingly, the Non-executive Chairman and Independent Director, and the MD are not related. Hence, the roles of the Non-executive Chairman and Independent Director, and the MD are clearly separated, each having their own areas of responsibilities. This is to ensure that an appropriate balance of power, increased accountability and greater capacity of the Board for decision making.

The Non-executive Chairman and Independent Director, Dr. Tan Kia King, ensures that corporate information is adequately disseminated to all Directors in a timely manner to facilitate the effective contribution of all Directors. He promotes a culture of openness and debate at the Board and ensures that adequate time is allocated for discussion of all strategic issues. The Non-executive Chairman and Independent Director is assisted by the Board Committees, external auditors and internal auditors who report to the Audit Committee in ensuring compliance with the Company's guidelines on corporate governance.

The MD, Mr. Teo Boon Leng, is responsible for the overall management of the Group and charting the corporate strategies for future growth with the support of the Executive Director, Mr. Ang Kah Leong and the Management.

Provision 2.5 of the 2018 Code:

Independent Directors meet regularly without the presence of the Management

PRINCIPLE 3: CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Provision 3.1 of the 2018 Code:

Chairman and MD are separate persons

Provision 3.2 of the 2018 Code:

Division of responsibilities between Chairman and CEO

CORPORATE GOVERNANCE REPORT

The NC has deliberated and is of the view that the appointment of a Lead Independent Director is not necessary given that the Non-executive Chairman is not part of the Management and is independent.

Provision 3.3 of the 2018 Code:

Lead Independent Director

The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.

PRINCIPLE 4: BOARD MEMBERSHIP

The Board is of the opinion that it would be most effective to draw on the wealth of experience from the longer serving directors while concurrently taking progressive steps to review and consider opportunities to refresh the Board as and when deemed required.

Steps taken to progressively renew the Board composition

To meet the changing challenges in the industry which the Group operates in, such reviews, which includes considering factors such as the expertise, skills and perspectives which the Board needs against the existing competencies would be done on a regular basis to ensure that the Board dynamics remain optimal.

Provision 4.1 of the 2018 Code:

NC to make recommendations to the Board on relevant matters

The NC comprises three Independent Directors, namely Ms. Young Sau Kwan Joanna, Dr. Tan Kia King and Mr. Kuan Cheng Tuck. The Chairman of the NC is Ms. Young Sau Kwan Joanna.

Provision 4.2 of the 2018 Code:

Composition of NC

The NC's responsibilities, as set out in its terms of reference, include the following:

- Developing and maintaining a formal and transparent process for the selection, appointment and re-appointment of Directors, taking into account the need for progressive renewal of the Board, and making recommendations to the Board on the appointment and re-appointment of Directors (including alternate Directors, if any), taking into consideration each Director's competencies, commitment, contribution and performance (for example, attendance, preparedness, participation and candour) including, if applicable, his or her performance as an Independent Director;
- Reviewing succession plans for the Directors, in particular, the appointment and/or replacement of the Chairman, MD and Executive Officers;
- Deciding on how the Board's performance may be evaluated, and proposing objective performance criteria to assess the effectiveness of the Board as a whole and the contribution of each Director;
- Ensuring that all Directors submit themselves for re-nomination and re-election at least once every three years;
- Determining the composition of the Board, taking into account the future requirements of the Group, as well as the need for Directors who, as a group, provide an appropriate balance and diversity of skills, experience, gender and knowledge of the Group, and other considerations as set out in the 2018 Code, and setting the objectives for achieving Board diversity and reviewing the progress towards achieving these objectives;
- Determining on an annual basis, and as and when circumstances require, whether or not a Director is independent having regard to the requirements of the 2018 Code and any other salient factors;

CORPORATE GOVERNANCE REPORT

- In respect of a Director who has multiple board representations on publicly listed companies, if any, reviewing and deciding, on an annual basis (or more frequently as the NC deems fit), whether such Director is able to and has been adequately carrying out his duties as a Director;
- Establishing guidelines on the maximum number of directorships and principal commitments for each Director (or type of Director) shall be;
- Reviewing training and professional development programmes for the Board and the Directors;
- Assessing whether each Director is able to and has been adequately carrying out his duties as a Director; and
- Ensuring that new Directors are aware of their duties and obligations.

The NC has reviewed and is satisfied that the current composition and size of the Board and Board Committees are appropriate for effective decision making, having taken into consideration the nature and scope of the Group's operations, the balance and diversity of, amongst other factors, gender, skills and experience. The Board comprises Directors who are qualified and experienced in various fields including accounting and finance, legal, business and management experience and the requisite industry knowledge.

The NC is of the view that the current Board comprises members who as a group possess core competencies necessary to lead and manage the Group effectively.

The NC conducts an annual review of the balance, diversity and size of the Board to determine whether any changes are required in relation to the Board composition. There is a formal and transparent process for the appointment of new Directors to the Board. When a vacancy on the Board arises or when the Board is considering making a new Board appointment either to enhance the core competency of the Board or for purpose of progressive renewal of the Board, the NC will review and assess candidates before making recommendations to the Board. In recommending new appointments, the NC takes into consideration the balance and diversity of skills, calibre, experience, expertise, attributes, ability and gender, amongst other factors, required to support the Group's business activities or strategies, the current composition and size of the Board, and strives to ensure that the Board has an appropriate balance of Independent Directors. The NC would consider candidates proposed by the Directors and key management personnel and may engage external search consultants where necessary.

After shortlisting the candidates, the NC shall consider and interview candidates on merit against objective criteria, taking into consideration whether the candidate can devote sufficient time and attention to the affairs of the Group.

After reviewing and considering the NC's recommendations, the Board would make the decision to appoint the new director and/or propose the re-election of the incumbent director for shareholders' approval.

The Directors submit themselves for re-nomination and re-election at regular intervals of at least once every three years. The Company's Constitution provides that one-third of the Board, or the number nearest to one-third is to retire by rotation at every Annual General Meeting ("AGM"). In addition, the Company's Constitution also provides that new Directors appointed during the financial year either to fill a vacancy or as an addition to the Board are required to submit themselves for re-election at the next AGM of the Company.

Provision 4.3 of the 2018 Code:

Process for the selection, appointment and re-appointment of Directors

CORPORATE GOVERNANCE REPORT

In recommending to the Board on appointment and re-appointment of Directors, the NC considers the following factors:

- Needs of the Group, Board Diversity Policy, expertise and experience of the candidate and his or her contribution and performance as Director of the Company, officer of other companies and/or professionals in his or her area of expertise;
- Number of public listed company directorships and other principal commitments;
- Whether the candidate is a fit and proper person in accordance with the MAS' fit and proper guidelines, which broadly takes into account the candidate's competency, honesty, integrity and financial soundness; and
- Independence of the candidate (for Independent Directors).

The NC has recommended and the Board has agreed for the following Directors to retire and seek re-election at the forthcoming AGM pursuant to Article 114 of the Company's Constitution:

Mr. Teo Boon Leng
Mr. Ang Kah Leong

Mr. Teo Boon Leng will, upon re-election as Director of the Company, remain as Executive Director and Managing Director of the Company.

Mr. Ang Kah Leong will, upon re-election as Director of the Company, remain as Executive Director of the Company.

Saved as disclosed in section 8, neither Mr. Teo Boon Leng nor Mr. Ang Kah Leong, have any other relationships between themselves, the Company and its 5% Shareholders.

The details of the Directors seeking for re-election as required under Rule 720(5) of the Catalist Rules are set out in the "Additional Information on Directors Seeking Re-election" section of this Annual Report.

As described under Principle 2 of this report, the Company has put in place a process to ensure the continuous monitoring of the independence of the Directors. Each Independent Director is required annually to complete a checklist to confirm his or her independence. Further, an Independent Director shall immediately disclose to the NC any relationships or circumstances that could interfere, or be reasonably perceived to interfere, with the exercise of his or her independent business judgement in the best interests of the Company. The NC is of the view that the Independent Directors are independent. As at the date of this report, there is no relationship or circumstance set forth in Provision 2.1 of the 2018 Code which puts the independence of the Independent Directors in question.

Provision 4.4 of the 2018 Code:

Circumstances affecting Director's independence

When a Director has multiple listed company directorships and other principal commitments, the NC also considers whether or not the Director is able to and has adequately carried out his duties as a Director of the Company.

Provision 4.5 of the 2018 Code:

The NC believes that putting a maximum limit on the number of Directorships a Director can hold is arbitrary, given that time requirement for each varies, and thus should not be prescriptive.

Assessment of the individual Directors' performance was based on the criteria set out in Section 5.1. The following were used to assess the performance and consider competing time commitments of the Directors: -

Assessment of Directors' duties

- Declarations by each Director of their other listed company directorships and principal commitments; and
- Annual confirmations by each Director on his/her ability to devote sufficient time and attention to the Company's affairs, having regard to his/her other commitments.

CORPORATE GOVERNANCE REPORT

The NC is satisfied that sufficient time and attention were given by the Directors to the affairs of the Company during FY2024, notwithstanding that they hold Directorships in other listed companies and have other principal commitments, and will continue to do so in the financial year ending 30 June 2025.

Multiple listed company directorships and other principal commitments

The specific considerations in assessing the capacity of Directors include:

- Expected and/or competing time commitments of Directors, including whether such commitment is a full-time or part-time employment capacity;
- Geographical location of Directors;
- Size and composition of the Board;
- Nature and scope of the Group's operations and size; and
- Capacity, complexity and expectations of the other listed directorships and principle commitments held.

The list of directorships held by Directors presently or in the preceding three years in other listed companies, and other principal commitments are set out in the "Board of Director" section of the Annual Report.

No alternate Director has been appointed to the Board.

The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.

PRINCIPLE 5: BOARD PERFORMANCE

The NC has established a review process and proposed objective performance criteria set out in assessment checklists which are approved by the Board. The NC will assess the Board's effectiveness as a whole by completing the Board Assessment Checklist, which takes into consideration factors such as the Board's structure, conduct of meetings, risk management and internal control, and the Board's relationship with the Management. The NC will also assess the Board's performance based on a set of quantitative criteria and financial performance indicators as well as share price performance. In addition, the NC will assess the individual Directors' performance by completing an Individual Director Assessment Checklist, which takes into consideration factors such as commitment of time for meetings, level of participation and contribution at such meetings and the technical knowledge of the Directors.

Provisions 5.1 and 5.2 of the 2018 Code:

Assessment of effectiveness of the Board and Board Committees and assessing the contribution by the Chairman and each Director

Where appropriate, the Board will review and make changes to the assessment forms to align with prevailing regulations and requirements. The performance criteria shall not be changed from year to year without justification. These assessments are to be carried out and overseen by the NC for each financial year to evaluate the effectiveness of the Board as a whole and recommendations based on these assessments would be tabled to the Board for discussion and/or adoption. The Non-Executive Chairman and Independent Director will act on the results of the performance evaluation and the recommendation of the NC, and where appropriate, in consultation with the NC, new members may be appointed or resignation of Directors may be sought.

Each member of the NC shall abstain from deliberating and voting on any resolutions in respect of the assessment of his or her performance or re-nomination as Director.

Based on the NC's review for FY2024, the Board operates effectively and each Director is contributing to the Board's effectiveness.

CORPORATE GOVERNANCE REPORT

The Board has implemented a process for assessing its effectiveness as a whole and the Board committees and each individual Director to the effectiveness of the Board. The assessments of the Board, the Board Committees and the individual directors are conducted by the NC and will be carried out annually.

The assessment utilises a confidential questionnaire, covering areas such as Board composition, Board processes managing the Group's performance, the effectiveness of the Board and the Board Committees. The questionnaires are completed by members of the Board and the Board Committees. The completed qualitative assessment questionnaires are collated for deliberation by the NC. The results, conclusions and recommendations are then presented to the Board by the NC.

The assessment of the individual directors will be done through peer-assessments, in each case through a confidential questionnaire to be completed by the directors individually. The assessment parameters for such individual evaluation include attendance and contributions during Board and Board Committee meetings as well as commitment to their roles as directors. The completed questionnaires will then be collated for the NC's deliberation and reported to the Chairman of the Board. The Chairman will act on the results of the performance evaluation and the recommendations of the NC, and where appropriate, in consultation with the NC, new members may be appointed or resignation of directors may be sought.

The NC has reviewed the overall performance of the Board as a whole, the Board Committees and Individual Director for FY2024.

Following the review of the assessments of the Board as a whole, the Board Committees and Individual Director for FY2024, both the NC and the Board are of the view that the effectiveness of the Board as a whole and each of the Board Committees and the contributions by the Chairman and each individual Director to the Board have been satisfactory for FY2024. No external facilitator was used in the process.

All NC members have abstained from the voting or review process of any matters in connection with the assessment of his/her performance.

Although no external facilitator had been engaged by the Board for this purpose, the NC has full authority to do so, if the need arises.

REMUNERATION MATTERS

The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.

The RC comprises three Independent Directors, namely Dr. Tan Kia King, Mr. Kuan Cheng Tuck and Ms. Young Sau Kwan Joanna. The Chairman of the RC is Dr. Tan Kia King.

The RC's responsibilities, as set out in its terms of reference, include the following:

- Reviewing and recommending to the Board for approval a framework of remuneration for the Executive Directors and Executive Officers as well as the specific remuneration packages for each Executive Director and Executive Officer, ensuring that a significant and appropriate proportion of the remuneration is structured so as to link rewards to corporate and individual performance;
- Reviewing annually the remuneration, bonuses, pay increase and/or promotions of employees who are related to the Directors or substantial shareholders to ensure that their remuneration packages are in line with the staff remuneration guidelines and commensurate with the respective job scopes and level of responsibilities, and reviewing and approving any new employment of related employees and the proposed terms of their employment;

PRINCIPLE 6: PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

Provision 6.1 of
the 2018 Code:

RC to recommend
remuneration
framework and
packages

Provision 6.2 of
the 2018 Code:

Composition of RC

CORPORATE GOVERNANCE REPORT

- Reviewing the obligations arising in the event of termination of service contracts entered into between the Group and the Executive Directors or Executive Officers, as the case may be, to ensure that the service contracts contain fair and reasonable termination clauses which are not overly generous;
- If necessary, seeking expert advice within and/or outside the Company on remuneration matters, ensuring that existing relationships, if any, between the Company and the appointed remuneration consultants will not affect the independence and objectivity of the remuneration consultants;
- Performing an annual review of the remuneration packages in order to maintain their attractiveness to retain and motivate the Directors and Executive Officers, and to align the interests of the Directors and Executive Officers with the interests of the shareholders and other stakeholders to promote the long-term success of the Company; and
- Ensuring that the remuneration of Non-Executive Directors is appropriate to the level of contribution, taking into account factors such as effort, time spent, and responsibilities.

The recommendations of the RC shall be submitted for endorsement by the Board. Each RC member shall abstain from reviewing, deliberating and voting on any resolution in respect of his remuneration package or that of any employees who are related to him or her.

The RC considers all aspects of remuneration (including Director's fees, salaries, allowances, bonuses, options, share-based incentives and awards, benefits in kind and termination payments) in the review and recommendation of remuneration packages for the Directors and executive officers with an aim to be fair and to avoid rewarding poor performance, before making any recommendation to the Board. Each RC member will abstain from participating in the deliberations of and voting on any resolution in respect of his remuneration package or that of employees related to him or her.

Provision 6.3 of the 2018 Code:

RC to consider and ensure all aspects of remuneration are fair

The Independent Directors receive Directors' fees in accordance with their contributions, taking into account factors such as effort and time spent and their responsibilities. The Directors' fees are recommended by the RC and endorsed by the Board for approval by the shareholders of the Company at the annual general meeting. Except as disclosed in section 8 in this Annual Report, the Independent Directors do not receive any remuneration from the Company.

The Executive Directors have each entered into a service agreement with the Company, under which terms of their employment are stipulated in the service agreements.

There are no excessively long or onerous removal clauses in these service agreements. The service agreements are valid for a period of three years with supplemental service agreement.

There are no contractual provisions which allows the Company to reclaim incentives from the Executive Directors and key management personnel in certain circumstances. The Board is of the view that as the Group pays performance bonuses based on the actual performance of the Group and/or Company (and not on forward-looking results) as well as the actual results of its Executive Directors and key management personnel, "claw-back" provisions in the service agreements may not be relevant or appropriate.

"Claw-back" Provisions

CORPORATE GOVERNANCE REPORT

The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company

Remuneration of Executive Directors and key management personnel comprise fixed components and variable components. The fixed component is in the form of a monthly base salary. The variable component is in the form of incentive bonus that is performance related and linked to corporate and individual performance. Their remuneration is linked to their roles and responsibilities and aligned with shareholders' interests to promote long-term success of the Group. The Group's remuneration policy is to ensure that the remuneration offered is competitive and sufficient to attract, retain and motivate the Directors and the key management personnel of the required experience and expertise. No Director is involved in any discussion relating to his own remuneration, terms and conditions of service, and the review of his performance.

Each Executive Director has a service agreement with the Company valid for a period of three (3) years. Upon the expiry of the initial period of three (3) years, the employment of each Executive Director shall be automatically renewed for a further three (3) years on such terms and conditions as may be agreed by the Board unless terminated by either party giving six (6) months' written notice of intention not to renew the employment. The last renewal took effect from 24 October 2023. All revisions to the remuneration packages for the Executive Directors are subject to the review by and recommendation of the RC and the approval of the Board.

Taking note of competitive pressures in the talent market, the Board has, on review, decided not to disclose the key performance indicators and performance conditions of the Executive Directors and key management personnel.

The RC has reviewed and is satisfied that the performance conditions were met for FY2024.

Contractual provisions are stipulated in the supplemental Service Agreements of the Executive Directors which allow the Company to reclaim incentives in cases of wilful misconduct and/or gross negligence by the Executive Directors. In addition, the Executive Directors owe a fiduciary duty to the Company and the Company should be able to avail itself to remedies against the Executive Directors in the event of such breach of fiduciary duties.

The Independent Directors are paid Directors' fees which take into consideration their contribution, effort, time spent and responsibilities. They are not overly remunerated to the extent that their independence may be compromised. The fees for the financial year in review are determined in the previous financial year, proposed by the Management submitted to the RC for review and thereafter, recommended to the Board for approval.

PRINCIPLE 7: LEVEL AND MIX OF REMUNERATION

Provisions 7.1 and 7.3 of the 2018 Code:

Remuneration of Executive Directors and key management personnel are appropriately structured to encourage good stewardship and promote long-term success of the Company Board.

Provision 7.2 of the 2018 Code:

Remuneration of Non-Executive Directors dependent on contribution, effort, time spent and responsibilities

CORPORATE GOVERNANCE REPORT

The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

After reviewing the industry practice and analyzing the advantages and disadvantages in relation to full disclosure of remuneration of each Director and key management personnel as recommended by the Code, the Company is of the view that doing so would be prejudicial to its business interests given the highly competitive jewellery retail/ exhibition industry that the Group operates in, and hamper its' ability to retain and nurture the Group's talent pool.

A breakdown (in absolute amounts and percentage terms) of the remuneration earned by each Director and the MD during FY2024 is as follows:

Remuneration band and name of Director	Directors' fee (%)	Salary and CPF (%)	Variable or performance related bonus ⁽¹⁾ (%)	Total (%)
\$1,500,000 to \$2,000,000				
Teo Boon Leng	-	46%	54%	100%
\$750,000 to \$1,000,000				
Ang Kah Leong	-	60%	40%	100%
Below \$250,000				
Dr. Tan Kia King	100%	-	-	100%
Kuan Cheng Tuck	100%	-	-	100%
Young Sau Kwan Joanna	100%	-	-	100%

⁽¹⁾ Benefits in kind are included in the variable component

The Company has only 4 top key management personnel. The remuneration received by the 4 top key management personnel (who are not Directors or the MD) in FY2024 is disclosed below:-

Remuneration band and name of key management personnel	Salary and CPF (%)	Variable or performance related bonus ⁽¹⁾ (%)	Total (%)
\$250,000 to \$500,000			
Irene Ng	41%	59%	100%
Macvis Teo	49%	51%	100%
Below \$250,000			
Julia Tan	53%	47%	100%
Tan Yee Ming	91%	9%	100%

⁽¹⁾ Benefits in kind are included in the variable component

The Company is of the view that its practices of disclosing the remuneration of key management personnel in bands of \$250,000 are consistent with the intent of provision 8 of the 2018 Code, taking into account the strategic objectives of the Company pursuant to Principle 8 of the 2018 Code.

The annual aggregate amount of the total remuneration paid to the 4 top key management personnel (who are not Directors or the MD) is approximately \$1,092,000. There were no termination or retirement benefits and post-employment benefits granted to the Directors and key management in FY2024.

PRINCIPLE 8: DISCLOSURE ON REMUNERATION

Provisions 8.1 and 8.3 of the 2018 Code:

Remuneration disclosures of Directors and key management personnel; Details of employee share schemes

CORPORATE GOVERNANCE REPORT

Save for the Executive Directors, there are no employees who were substantial shareholders of the Company in FY2024.

Provision 8.2 of the 2018 Code:

There are two employees who are the immediate family members of a Director namely, Ms Macvis Teo, daughter of Mr Teo Boon Leng (MD), with an annual salary of between \$250,000 and \$500,000 and Mr Presley Teo, son of Mr Teo Boon Leng (MD), of the Company with an annual salary in the range of \$50,000 to \$100,000.

Remuneration disclosure of related employees Employee Share Scheme(s)

The Company had no employee share schemes during FY2024.

ACCOUNTABILITY AND AUDIT

The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders.

PRINCIPLE 9: RISK MANAGEMENT AND INTERNAL CONTROLS

Risk analysis and management is undertaken within the Group as a source of sustainable business benefit and competitive advantage. The Board is responsible for the management of the Group's significant risks and is assisted by the AC in the oversight of the risk management and internal control systems of the Group.

Provision 9.1 of the 2018 Code:

The AC, with the assistance of the internal and external auditors, annually reviews the adequacy and effectiveness of the Group's risk management and internal control systems, including financial, operational, compliance and information technology controls.

Board determines the nature and extent of significant risks

The internal auditor ("**IA**"), Yang Lee & Associates, has carried out internal audit on the system of internal controls and reported the findings to the AC. The external auditor, Ernst & Young LLP ("**EA**"), has also, in the course of their statutory audit, gained an understanding of the key internal accounting controls assessed to be relevant to the statutory audit. In this respect, the AC has reviewed the findings of both the internal and external auditors and will ensure that the Company follows up on the auditors' recommendations raised during the audit processes. No material internal control weaknesses had been raised by the internal and external auditors in the course of their audits for FY2024.

The IA performs its works in line with the Standards for the Professional Practice of Internal Auditing set by The Institute of Internal Auditors. The AC, having considered, amongst others, the reputation and track record of Yang Lee & Associates and the qualifications, experience and availability of resources and independence of the team at Yang Lee & Associates, is satisfied that the appointment of Yang Lee & Associates as IA is appropriate and has the appropriate standing in the Company to discharge its duties effectively.

The IA has full access to documents, records, properties and personnel of the Group. The IA plans its internal audit schedules in consultation with the management and its plans, IA reports and activities are reviewed and approved by the AC to ensure, *inter alia*, the adequacy of the scope of the audit. The internal audit plan complements that of the EA and together forms a robust risk-based audit approach to facilitate the AC's review of the adequacy and effectiveness of the Group's risk management and internal control systems. The AC reviews the reports issued by the IA to ensure that the Group's internal controls including financial, operational, compliance and IT controls are robust and effective, and follows up with management and the IA in ensuring that the IA's recommendations agreed with management have been adequately and appropriately implemented. Although there were no material weaknesses identified, the Board noted that there were certain areas requiring improvement as identified by the IA during the course of their audit performed in FY2024. The Board has accepted the IA's recommendations and has implemented the various recommendations to address such deficiencies identified.

CORPORATE GOVERNANCE REPORT

The Board has performed and considered the following:

1. Assurances received from the MD and Group Financial Controller (“GFC”) and other key management personnel, pursuant to Provision 9.2(a) and (b) of the 2018 Code (as also described below);
2. An internal audit has been performed by the IA and significant matters highlighted to the AC and key management personnel were appropriately addressed;
3. Key management personnel evaluates, monitors material risks and reports to the AC on a regular basis; and
4. Discussions were held between the AC and auditors in the absence of the key management personnel to review and address any potential concerns.

The Board received assurance from the MD and the GFC that the financial records have been properly maintained and the financial statements give a true and fair view of the Company’s operations and finances.

Provision 9.2 of the 2018 Code:

In addition, the Board received assurance from the MD, GFC and other key management personnel that the Company’s risk management and internal control systems are adequate and effective.

Assurance from CEO, CFO and other key management personnel

Based on the foregoing, the Board, with the concurrence of the AC, is satisfied that the system of internal controls (including financial, operational, compliance and information technology controls) and risk management systems in place are adequate and effective as at 30 June 2024.

The Board notes that no system of internal controls could provide absolute assurance against the occurrence of material errors, poor judgement in decision making, human errors, losses, fraud or other irregularities. As such, the Company’s risk management and internal controls systems are regularly evaluated and improved to ensure its relevance to the Company’s operations.

The Board has an Audit Committee which discharges its duties objectively

PRINCIPLE 10: AUDIT COMMITTEE

The AC comprises three Independent Directors, namely Mr. Kuan Cheng Tuck, Dr. Tan Kia King and Ms. Young Sau Kwan Joanna. The Chairman of the AC is Mr. Kuan Cheng Tuck.

Provision 10.1 of the 2018 Code:

All members of the AC are appropriately qualified and have relevant accounting or related financial management expertise and experience. They are not former partners or directors of the Company’s auditing firm and none of the AC members hold any financial interest in the external audit firm.

Duties of AC

Provision 10.2 of the 2018 Code:

None of the AC members were previous partners or directors of the Company’s EA within the last twelve months and none of the AC members hold any financial interest in the EA.

Composition of AC

The Board considers Mr. Kuan Cheng Tuck to have extensive and practical financial management knowledge and experience, well-qualified to chair the AC. The other members of the AC bring with them invaluable experience in finance and business management. The Board is of the view that the AC members are appropriately qualified in that they have sufficient accounting or related financial management expertise and experience to discharge the duties and responsibilities of the AC.

To keep abreast of the changes in accounting standards and issues which have a direct impact on the financial statements of the Group, the AC is encouraged to participate in relevant training courses, seminars and workshops, and to seek advice from the EA at the AC meetings that are held.

CORPORATE GOVERNANCE REPORT

The AC's responsibilities, as set out in its terms of reference, include the following:

Provision 10.3 of the 2018 Code:

- Reviewing the audit plan and scope of work of the external auditors and internal auditors, the results of the external and internal auditors' review and evaluation of the system of internal controls, and their management letters on the internal controls together with the Management's response, and monitoring the implementation of the internal control recommendations made by the external and internal auditors;
- Reviewing and reporting to the Board at least annually the adequacy and effectiveness of the Group's risk management systems and internal controls addressing financial, operational, compliance and information technology risks (such review to be carried out internally or with the assistance of any competent third parties);
- Reviewing the adequacy, effectiveness, independence, scope and results of the external audit and the Group's internal audit function;
- Making recommendations to the Board on establishing an adequate, effective and independent internal audit function (which can be in-house or outsourced to a reputable accounting/auditing firm or corporation), and ensuring that the internal audit function is adequately resourced and staffed with persons with the relevant qualifications and experience and that the internal auditors comply with the standards set by nationally or internationally recognised professional bodies;
- Reviewing the interim financial results and annual consolidated financial statements and the external auditors' report on the annual consolidated financial statements, and reviewing and discussing any significant adjustments, major risk areas, changes in accounting policies and practices, significant financial reporting issues and judgements, compliance with Singapore financial reporting standards as well as compliance with the Catalist Rules and other statutory or regulatory requirements, concerns and issues arising from their audits, to ensure the integrity of the financial statements of the Group and any announcements relating to the financial performance, before submission to the Board for approval;
- Meeting with the external auditors and internal auditors without the presence of the Management, at least annually;
- Reviewing and discussing with the external and internal auditors, any suspected fraud, irregularity or infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on the Group's operating results or financial position and the Management's response;
- Reviewing and ensuring the co-ordination among the internal auditors, external auditors and the Management, including assistance given by our Management to the auditors;
- Considering the independence and objectivity of the external auditors, taking into account the non-audit services provided by the external auditors and the fees paid for such non-audit services, if any;
- Reviewing any interested person transactions falling within the scope of Chapter 9 of the Catalist Rules, and approving interested person transactions the value of which amount to 3.0% or more of the latest audited NTA of the Group, or any agreement or arrangement with an interested person that is not in the ordinary course of business of the Group, prior to the Group's entry into the transaction, agreement or arrangement;

AC does not comprise former partners or directors of the Company's auditing firm

CORPORATE GOVERNANCE REPORT

- Making recommendations to the Board on the proposals to the shareholders with regard to the appointment, re-appointment and removal of external auditors, and the remuneration and terms of engagement of the external auditors;
- Reviewing the Group's compliance with such functions and duties as may be required under the relevant statutes or the Catalist Rules, including such amendments made thereto from time to time;
- Reviewing any potential conflicts of interests and set out a framework to resolve or mitigate such potential conflicts of interests, and monitoring compliance with such framework;
- Establishing and reviewing the policy and arrangements by which employees of the Group or any other persons may safely raise concerns about possible improprieties in financial reporting or other matters and ensuring that there are arrangements in place for independent investigation of such concerns and appropriate follow-up actions in relation thereto;
- Ensuring that the Group publicly discloses, and clearly communicates to employees, the existence of a whistle-blowing policy and procedures for raising such concerns;
- Reviewing the assurance from the CEO and the Group Financial Controller on the financial records and financial statements;
- Undertaking such other reviews and projects as may be requested by the Board, and reporting to the Board its findings from time to time on matters arising and requiring the attention of the AC;
- Ensuring that the terms of non-compete undertakings provided to the Company have been complied with; and
- Reviewing and approve transactions falling within the scope of Chapter 10 of the Catalist Rules.

The Company's staff and any other persons may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters by submitting a whistleblowing report to AC Chairman via a dedicated secured email address.

The AC is authorised to investigate any matter within its terms of reference, and has full access to, and co-operation of, the Management. The AC has full discretion to invite any Director, Executive Officer or management personnel to attend its meetings and has access to reasonable resources, including independent professional advice, to enable it to discharge its functions.

The Group has complied with Rules 712 and 715 of the Catalist Rules in relation to the appointment of its external auditor. The audit fees and non-audit fees paid or payable to the EA for FY2024 amounted to S\$206,000 and S\$38,000 respectively as disclosed in the accompanying financial statements. The AC, having reviewed the scope and value of the audit services provided by the external auditor, is satisfied that the independence and objectivity of the external auditor is not impaired.

In recommending the re-appointment of Ernst & Young LLP as the external auditor for the financial year ending 30 June 2025, the AC had taken into consideration inter alia, the Audit Quality Indicator Disclosure Framework published by the Accounting and Corporate Regulatory Authority.

CORPORATE GOVERNANCE REPORT

The Company has outsourced its internal audit function to Yang Lee & Associates, a corporate member of the Institute of Internal Auditors Singapore. The primary reporting line of the internal auditors is to the AC and administratively to the GFC. The hiring, removal, evaluation of the internal auditors and compensation to be paid to them is recommended by the AC and approved by the Board.

Provision 10.4 of the 2018 Code:

Primary reporting line of the internal audit function is to AC; Internal audit function has unfettered access to Company's documents, records, properties and personnel

The internal audit team have unrestricted access to the Company's documents, records, properties and personnel. The internal audit team is staffed with personnel with relevant qualifications and experience and takes reference from the International Standards for the Professional Practice of Internal Auditing set by the Institute of Internal Auditors when performing their reviews. As such, the AC is satisfied that the IA is able to discharge its duties effectively as it is adequately independent, adequately qualified, adequately resourced to perform its functions and have appropriate standing within the Group.

The internal audit function is independent of the activities it audits. During FY2024, the internal auditors completed an internal control review of the Group's key processes in procurement, payment and payment, exhibition sales, inventory management. The related internal audit reports, including management's responses and implementation status, have been communicated to the AC.

The AC has met with the EA and the IA once in the absence of management in FY2024.

Provision 10.5 of the 2018 Code:

AC meets with the auditors without the presence of Management annually

SIGNIFICANT ACCOUNTING MATTERS

In the review of the financial statements for FY2024, the AC has discussed with the Management on the significant accounting principles that were applied and their judgement of items that might affect the accuracy and completeness of the financial statements.

The key audit matters, which are included in the independent auditors' report for FY2024, were discussed with the Management and the external auditor, and were reviewed by the AC.

WHISTLE-BLOWING CHANNELS

The Company has in place a whistle-blowing policy and procedures for employees of the Group and other persons to raise concerns about possible improprieties in matters of financial reporting, fraudulent behaviour and other significant matters directly to the AC in confidence and without fear of reprisals. Every Complaint shall be in person or in writing and shall be lodged with Chairman of the AC at whistleblow@takajewellery.com.sg Details of this policy are disseminated to all employees of the Group.

The Company's Whistleblowing Policy aims to: (a) provide a trusted avenue for employees, vendors, customers and other stakeholders to report serious wrongdoings or issues, particularly to fraud, governance or ethics, without fear; and (b) ensure that robust arrangements are in place to facilitate independent investigation of the reported issues with appropriate follow up actions. The Company will treat all information received confidentially and protect the identity of all whistle-blowers. It is also committed to ensuring that whistle-blowers will be treated fairly, and protected against detrimental or unfair treatment for whistle-blowing in good faith.

CORPORATE GOVERNANCE REPORT

All whistle-blowing complaints are independently investigated and appropriate actions taken. The AC, which is responsible for oversight and monitoring of whistle-blowing, reviews and ensures that independent investigations and any appropriate follow-up actions are carried out, taking into account factors such as the seriousness of the issues, the credibility of the concern and the likelihood of confirming the allegation from attributable sources.

The AC shall commission and review the findings of internal investigations where there is any suspected fraud or irregularity, or failure of internal controls or infringement of any law, rule or regulation which has or is likely to have a material impact on the Group's operating results and/ or financial position.

SHAREHOLDER RIGHTS AND ENGAGEMENT

The company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospects.

PRINCIPLE 11: SHAREHOLDER RIGHTS AND CONDUCT OF GENERAL MEETINGS

The Board ensures that the shareholders are treated fairly and equitably. All material information which would likely affect the price or value of the Company's shares shall be disclosed adequately and in a timely manner. Presentations to shareholders will be made available on SGXNET and the Company's website.

Provision 11.1 of the 2018 Code:

In presenting the Group's financial results to shareholders, it is the aim of the Board to provide shareholders with a balanced and understandable assessment of the Company's performance, position and prospects.

Company provides shareholders with the opportunity to participate effectively and vote at general meetings

The Company's principal form of dialogue with shareholders takes place at general meetings. Notices of general meetings are dispatched to shareholders within the time notice period as prescribed by the relevant regulations. The Company strives to hold general meetings at venues which are accessible to shareholders. At general meetings, shareholders will be given the opportunity to voice their views and direct their questions to the Board regarding the Company.

Shareholders will also be briefed during the general meetings on voting procedures of the general meetings.

SGX-ST publishes investor guides to help the investment community in their preparation for annual general meetings and other general meetings. The links to SGX-ST's investor guides have been included on the Company's website under the "Investor Relations" section for ease of reference by shareholders.

All resolutions proposed at general meetings shall be put to vote by way of a poll. All votes cast, for or against, and the respective percentages, in respect of each resolution are tallied and disclosed at the meeting and an announcement with the detailed results showing the numbers of votes cast for and against for each resolution and the respective percentage will be released via SGXNET after the general meetings.

CORPORATE GOVERNANCE REPORT

The Board notes that the best practice is to have separate resolutions on each substantially separate issue. The Company shall avoid 'bundling' resolutions unless the resolutions are interdependent and linked so as to form one significant proposal. In situations where resolutions are inter-conditional, the Company will provide clear explanations.

Provision 11.2 of the 2018 Code:

Separate resolution on each substantially separate issue

All Directors, including the chairpersons of various Board Committees, and the Executive Officers will attend general meetings to address shareholders' queries and receive feedback from shareholders.

Provision 11.3 of the 2018 Code:

All Directors attend general meetings

The external auditor, Ernst & Young LLP, will also be invited to attend general meetings and will assist in addressing queries from the shareholders relating to the conduct of the audit and the preparation and content of the independent auditor's report.

The Chairman of the meeting will facilitate constructive dialogue between shareholders and the Board, the Management, the external auditors and other relevant professionals.

The Company's Constitution allows all shareholders to appoint up to 2 proxies to attend and vote on their behalf and also provides that a proxy need not be a shareholder of the Company. Registered shareholders who are unable to attend the general meetings are entitled to appoint up to two proxies, unless the shareholder is a relevant intermediary (as defined in Section 181 of the Companies Act 1967). A relevant intermediary may appoint more than two proxies to participate in shareholders' meetings, but each proxy must be appointed to exercise rights attached to a different share or shares held by such shareholder.

Provision 11.4 of the 2018 Code:

Company's Constitution allow for absentia voting of shareholders

The Company's Constitution does not permit voting in absentia as the authenticity of shareholders' identity and other related integrity issues still remain a concern, the Company has decided, for the time being, not to implement voting in absentia by mail or electronic means.

Minutes of general meetings which include substantial and relevant comments or queries from shareholders relating to the agenda of the meeting and responses from the Board and the Executive Officers arising during the general meetings will be published on the Company's corporate website at <http://www.takajewelleryholdings.com> within one (1) month from the date of the general meetings.

Provision 11.5 of the 2018 Code:

Minutes of general meetings are published on the Company's corporate website as soon as practicable

Shareholders are invited to submit questions prior to the general meetings. The responses to these questions are published at least 48 hours before the deadline for the submission of proxy forms. Shareholders may submit their questions by email or post. Relevant and substantial questions not answered before the proxy submission deadline will be answered during the AGM.

Currently, the Company does not have a fixed dividend policy. The form, frequency and amount of dividends will depend on amongst others, the Company's earnings, general financial condition, results of operations, capital requirements, cash flow, general business condition, development plans and other factors as the Directors may deem appropriate.

Provision 11.6 of the 2018 Code:

Dividend policy

The Directors may recommend or propose final dividends which will be approved by shareholders by way of an ordinary resolution at the annual general meeting. The Directors may also declare and pay interim dividends without the approval of shareholders.

Despite not having a fixed dividend policy, the Directors have recommended a final dividend (one-tier tax-exempt) of S\$0.00179 per ordinary share for proposed and the financial year ended 30 June 2024, to be approved by shareholders at the forthcoming annual general meeting.

CORPORATE GOVERNANCE REPORT

The company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company.

The Company informs the shareholders promptly of all major developments via SGXNET and the Group's corporate website <http://www.takajewelleryholdings.com>.

The Company is committed to treating all shareholders fairly and equitably and to keep all its shareholders and other stakeholders informed of its corporate activities which would be likely to materially affect the price or value of its shares, on a timely basis.

Shareholders are informed of general meetings through notices published in the newspaper and the Company's announcements and press releases via SGXNET as well as through reports/ circulars to all Shareholders. All Shareholders are entitled to attend the general meetings and are afforded the opportunity to participate effectively in and vote at these general meetings.

General meetings are still the principal forum for dialogue with Shareholders. To promote a better understanding of Shareholders' views, the Board encourages Shareholders to participate during the Company's general meetings. At these meetings, Shareholders are able to engage the Board and the management on the Group's business activities, financial performance and other business-related matters. The Company could also gather views and address Shareholders' concerns at general meetings. The Company is open to meetings with investors and analysts, and in conducting such meetings, is mindful to ensure fair disclosure. In addition, the Company has engaged August Consulting Pte Ltd to address any queries that the investors, analysts, press or public might have on the Company's affairs.

The Company has in place an investor relations policy, posted on its corporate website, <http://www.takajewelleryholdings.com>, to promote regular, effective and fair communication. The Company's investor relations website is a key resource of information for the investment community. It contains comprehensive information on the Company, including the Group's corporate announcements, news releases, annual reports and corporate information.

MANAGING STAKEHOLDERS RELATIONSHIPS

The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served

The Company takes pride in meeting and exceeding the expectations of the stakeholders. The engagement with material stakeholder groups, including key areas of focus and engagement channels, are disclosed in the Sustainability Report.

The Company has, in accordance with the Rules 711A and 711B of the Catalist Rules, included a sustainability report with this Annual Report which sets out its strategy and key areas of focus in relation to the management of stakeholder relationships.

Stakeholders who wish to know more about the Group and the business and governance practices can visit the Company's website at <http://www.takajewelleryholdings.com>. The website includes an investor relations section containing the Company's financial highlights, annual report, corporate announcements, whistle-blowing policy and investor relations policy.

PRINCIPLE 12: ENGAGEMENT WITH SHAREHOLDERS

Provision 12.1 of the 2018 Code:

Company provides avenues for communication between the Board and shareholders and discloses steps taken to solicit and understand the views of shareholders

Provisions 12.2 and 12.3 of the 2018 Code:

Company has in place an investor relations policy; Investor relations policy sets out mechanism of communication between the shareholders and the Company

PRINCIPLE 13: ENGAGEMENT WITH STAKEHOLDERS

Provisions 13.1 and 13.2 of the 2018 Code:

Engagement with material stakeholder groups

Provision 13.3 of the 2018 Code:

Corporate website to engage stakeholders

CORPORATE GOVERNANCE REPORT

DEALINGS IN SECURITIES

The Group has adopted policies in line with the requirements of Rule 1204(19) of the Catalist Rules on dealings in the Company's securities. The policies have been made known to Directors, Executive Officers and any other persons as determined by the Management who may possess unpublished material price-sensitive information of the Group.

The Company prohibits its officers from dealing in the Company's shares on short-term considerations or when they are in possession of unpublished price-sensitive information. The Company, its Directors and officers are not allowed to deal in the Company's shares during the periods commencing one month before the Company's half year and full year financial statements, as the case may be, and ending on the date of the announcement of the relevant financial results.

The Company, Directors and employees of the Company are also advised to observe insider trading laws at all times. Directors are required to report all dealings to the company secretary.

INTERESTED PERSON TRANSACTIONS ("IPTs")

The Group has established internal control policies to ensure that transactions with interested persons are properly reviewed and approved, and are conducted at an arm's length commercial terms basis. Any Director, MD and/or controlling Shareholder who is interested in a transaction will abstain and refrain from deliberating, discussing, making recommendations and approving the transaction.

The Group does not have a general mandate from Shareholders for interested person transactions pursuant to Rule 920 of the Catalist Rules.

There were no interested person transactions of value S\$100,000 and above in FY2024.

MATERIAL CONTRACTS

Except for the services agreements entered into by the executive directors, there were no material contracts entered into by the Group involving the interests of the MD, any Director or controlling shareholder, who are either still subsisting at end of FY2024 or if not then subsisting, entered into since the end of the previous financial year.

NON-SPONSOR FEES

No non-sponsor fees were paid/payable to the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. for FY2024.

USE OF IPO PROCEEDS

There are no outstanding proceeds raised from IPO or any offerings pursuant to Chapter 8 of the Catalist Rules.

SUSTAINABILITY REPORTING

Sustainability Report for the FY2024 is published together with the Annual Report.

DIRECTORS' REPORT

For the financial year ended 30 June 2024

The Directors are pleased to present their statement to the members together with the audited consolidated financial statements of Taka Jewellery Holdings Limited (the "Company") and its subsidiaries (collectively, the "Group") and the balance sheets and statements of changes in equity of the Company for the financial year ended 30 June 2024.

Opinion of the Directors

In the opinion of the Directors,

- (i) the consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2024 and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the year ended on that date; and
- (ii) at the date of this statement there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Directors

The Directors of the Company in office at the date of this statement are:

Teo Boon Leng	
Ang Kah Leong	
Tan Kia King	(appointed on 25 October 2023)
Kuan Cheng Tuck	(appointed on 25 October 2023)
Young Sau Kwan Joanna	(appointed on 25 October 2023)

Arrangements to enable Directors to acquire shares and debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the Directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

Directors' interests in shares and debentures

The following Directors of the Company, who held office at the end of the financial year, had, according to the register of Directors' shareholdings required to be kept under Section 164 of the Companies Act 1967 (the "Act"), an interest in shares of the Company, as stated below:

Name of Director	Held in the name of the Director		Deemed interest	
	At the beginning of the year	At the end of the year	At the beginning of the year	At the end of the year
Ordinary shares of the Company				
Teo Boon Leng	171,359,753	171,359,753	-	-
Ang Kah Leong	157,884,355	157,884,355	-	-

By virtue of Section 7 of the Companies Act 1967, the above Directors are deemed to have an interest in all the shares held by the Company in its subsidiaries.

There was no change in any of the above-mentioned interests in the Company between the end of the financial year and 21 July 2024.

DIRECTORS' REPORT

For the financial year ended 30 June 2024

Except as disclosed in this report, no Director who held office at the end of the financial year had interests in shares, share options, warrants or debentures of the Company, or of related corporations, either at the beginning of the financial year or at the end of the financial year.

Options

No options were granted by the Company to any persons to take up unissued shares of the Company.

No shares have been issued during the financial year by virtue of any exercise of option to take up unissued shares of the Company.

There were no unissued shares of the Company under option at the end of the financial year.

Auditor

Ernst & Young LLP have expressed their willingness to accept re-appointment as auditor.

On behalf of the board of Directors:

Ang Kah Leong
Director

Teo Boon Leng
Director

Singapore

30 September 2024

INDEPENDENT AUDITOR'S REPORT REPORT

To the Members of Taka Jewellery Holdings Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Taka Jewellery Holdings Limited (the "Company") and its subsidiaries (collectively, the "Group"), which comprise the balance sheets of the Group and the Company as at 30 June 2024, the statements of changes in equity of the Group and the Company and the consolidated statement of comprehensive income and consolidated cash flow statement of the Group for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements of the Group, the balance sheet and the statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 30 June 2024 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and changes in equity of the Company for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled our responsibilities described in the *Auditor's responsibilities for the Audit of the Financial Statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Allowance for impairment of trade receivables from the Group's wholesale and exhibition jewellery business

The Group's trade receivables from wholesale and exhibition jewellery business are significant to the Group and they represent 8% of the Group's total assets as at year end.

The Group applies the simplified approach in calculating expected credit losses ("ECLs") in accordance with SFRS(I) 9 *Financial Instruments* and recognises loss allowance based on lifetime expected losses at each reporting date. Trade receivables that are credit impaired are assessed for impairment by making debtor-specific assessment.

The Group uses a provision matrix to estimate the allowance for ECLs on trade receivables from wholesale and exhibition jewellery sales. The key assumptions used in the ECLs model relate to the collectability of trade receivables and historical observed default rates. A considerable amount of judgment is required in deriving these key inputs, and includes reviewing the current creditworthiness and past collection history of the debtors, as well as considering forward-looking economic information. As such, we determined this is a key audit matter.

INDEPENDENT AUDITOR'S REPORT REPORT

To the Members of Taka Jewellery Holdings Limited

Key Audit Matters (cont'd)

Allowance for impairment of trade receivables from the Group's wholesale and exhibition jewellery business (cont'd)

As part of our audit, we tested the reasonableness of the key inputs and assumptions used by the Group in the ECLs model which is largely dependent on the Group's evaluation of collectability, analysis of historical write-offs and credit losses, and aging analysis of trade receivables. We reviewed the process and tested the key parameters relating to the aging data and forward-looking economic factors used in the ECL model by considering the market prices of gold and diamond to gauge their demand and the GDP forecast of the country in which the key customers are operating in. We checked the arithmetic accuracy of the allowance rates used. We reviewed the Group's credit control procedures in respect of monitoring and managing the credit risk of trade receivables. We requested trade receivables confirmations for major debtors and performed procedures to obtain evidence of receipts from the debtors subsequent to the balance sheet date, reviewed the debtors' past payment trends and the Group's assessment of debts with significant increase in credit risk since initial recognition.

Where specific impairments have been made, we considered the impairment indicators, assumptions made by management in their assessment of the recoverability of the outstanding receivables which include, the probability of the collection.

We also assessed the adequacy of the disclosures related to the Group's trade receivables in Note 16 to the financial statements.

Valuation and existence of inventories

As of 30 June 2024, the Group's total inventories amounted to \$109,272,000. The Group's inventories comprise raw materials and finished goods of jewellery products. Included in the raw materials and finished goods are gold, loose diamonds and jewellery pieces.

We focused on inventories as their carrying amounts are material to the financial statements and there is a high inherent risk of theft and pilferage in jewellery business. In addition, the determination of allowance for slow moving inventories involves a high level of management judgment and estimation uncertainty associated with 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. Accordingly, we identified this as a key audit matter.

We obtained an understanding of the Group's internal controls with respect to physical safeguards over inventories. We attended and observed management's year-end inventory counts at the warehouses and selected outlets, test counted and traced the test results to management's records on a sample basis.

With respect to slow moving inventories, we reviewed management's assessment and evaluated the adequacy of allowance made for slow moving inventories. In addition, we have obtained the inventory sales during and subsequent to the financial year ended and analysed the gross profit margin as part of our assessment for stock obsolescence test. We performed a review of the inventory aging analysis and recomputed management's calculation of inventory turnover days. We also reviewed on a sample basis, management's assessment of the net realisable value of these inventories by comparing them against market value at year end and sales price during the year and subsequent to year end.

We also assessed the adequacy of the disclosures related to the Group's inventories in Note 15 to the financial statements.

INDEPENDENT AUDITOR'S REPORT REPORT

To the Members of Taka Jewellery Holdings Limited

Key Audit Matters (cont'd)

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I), and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

INDEPENDENT AUDITOR'S REPORT REPORT

To the Members of Taka Jewellery Holdings Limited

Auditor's Responsibilities for the Audit of the Financial Statements (cont'd)

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Ng Boon Heng.

Ernst & Young LLP
Public Accountants and Chartered Accountants
Singapore

30 September 2024

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 30 June 2024

	Note	Group	
		2024 \$'000	2023 \$'000
Revenue	4	146,756	145,889
Cost of sales		(104,104)	(103,589)
Gross profit		42,652	42,300
Other operating income	5	317	541
Distribution costs		(21,253)	(22,055)
Administrative expenses		(6,723)	(7,130)
Other operating expenses		(559)	(447)
Impairment loss on trade receivables, net		(646)	(1,927)
Share of profit of associate		549	1,579
Finance costs	6	(2,731)	(2,034)
Profit before tax	7	11,606	10,827
Income tax expense	9	(1,287)	(1,926)
Profit after tax		10,319	8,901
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		(12)	(16)
Total comprehensive income		10,307	8,885
Profit after tax attributable to:			
Owners of the Company		10,321	9,001
Non-controlling interest		(2)	(100)
		10,319	8,901
Total comprehensive income attributable to:			
Owners of the Company		10,309	8,986
Non-controlling interest		(2)	(101)
		10,307	8,885
Earnings per share			
Basic and Diluted (cents)	10	1.84	1.61

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

BALANCE SHEETS

As at 30 June 2024

	Note	Group		Company	
		2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
ASSETS					
Non-current assets					
Investment in subsidiaries	11	-	-	82,076	82,076
Investment in associate	12	8,445	7,896	-	-
Right of use assets	23	8,887	8,054	-	-
Property, plant and equipment	13	9,488	9,320	-	-
Trademarks	14	-	105	-	-
Other receivables	16	1,208	664	-	-
Deferred tax assets	21	325	200	-	-
		<u>28,353</u>	<u>26,239</u>	<u>82,076</u>	<u>82,076</u>
Current assets					
Inventories	15	109,272	105,009	-	-
Trade and other receivables	16	61,911	51,786	15,114	13,644
Prepayments		100	114	-	2
Cash and bank balances	17	12,709	11,008	810	759
		<u>183,992</u>	<u>167,917</u>	<u>15,924</u>	<u>14,405</u>
Total assets		<u>212,345</u>	<u>194,156</u>	<u>98,000</u>	<u>96,481</u>
LIABILITIES					
Current liabilities					
Loans and borrowings	18	34,769	24,290	-	-
Bullion loans	19	4,045	3,728	-	-
Trade and other payables	20	24,307	23,741	72	74
Lease liabilities	23	4,824	3,483	-	-
Income tax payable		1,461	1,864	-	-
		<u>69,406</u>	<u>57,106</u>	<u>72</u>	<u>74</u>
NET CURRENT ASSETS		<u>114,586</u>	<u>110,811</u>	<u>15,852</u>	<u>14,331</u>
Non-current liabilities					
Loans and borrowings	18	9,141	13,311	-	-
Lease liabilities	23	3,755	4,114	-	-
Trade and other payables	20	243	132	-	-
		<u>13,139</u>	<u>17,557</u>	<u>-</u>	<u>-</u>
Total liabilities		<u>82,545</u>	<u>74,663</u>	<u>72</u>	<u>74</u>
NET ASSETS		<u>129,800</u>	<u>119,493</u>	<u>97,928</u>	<u>96,407</u>
Equity attributable to owners of the Company					
Share capital	24	96,719	96,719	96,719	96,719
Merger reserve		(64,502)	(64,502)	-	-
Treasury shares	25	(698)	(698)	(698)	(698)
Translation reserve		706	718	-	-
Retained earnings		97,577	87,256	1,907	386
		<u>129,802</u>	<u>119,493</u>	<u>97,928</u>	<u>96,407</u>
Equity attributable to owners of the Company		<u>129,802</u>	<u>119,493</u>	<u>97,928</u>	<u>96,407</u>
Non-controlling interest		(2)	-	-	-
Total equity		<u>129,800</u>	<u>119,493</u>	<u>97,928</u>	<u>96,407</u>

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

STATEMENT OF CHANGES IN EQUITY

For the financial year ended 30 June 2024

	Share capital \$'000	Merger reserve \$'000	Treasury shares \$'000	Foreign currency translation reserve ⁽¹⁾ \$'000	Retained earnings \$'000	Non-controlling Interest \$'000	Total equity \$'000
Group							
Opening balance as at 1 July 2023	96,719	(64,502)	(698)	718	87,256	-	119,493
Profit for the year	-	-	-	-	10,321	(2)	10,319
Other comprehensive income							
Foreign currency translation	-	-	-	(12)	-	-	(12)
Total comprehensive income	-	-	-	(12)	10,321	(2)	10,307
Closing balance as at 30 June 2024	96,719	(64,502)	(698)	706	97,577	(2)	129,800
Opening balance as at 1 July 2022	96,719	(64,502)	(698)	733	78,255	33	110,540
Profit for the year	-	-	-	-	9,001	(100)	8,901
Other comprehensive income							
Foreign currency translation	-	-	-	(15)	-	(1)	(16)
Total comprehensive income	-	-	-	(15)	9,001	(101)	8,885
Changes in ownership interests in subsidiaries							
Non-controlling interest arising on a business combination	-	-	-	-	-	1,218	1,218
Loss from disposal of non-controlling interest with change in control	-	-	-	-	-	(1,150)	(1,150)
Total changes in ownership interests in subsidiaries	-	-	-	-	-	68	68
Closing balance as at 30 June 2023	96,719	(64,502)	(698)	718	87,256	-	119,493

⁽¹⁾ **Foreign currency translation reserve**

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of the Group's foreign operations whose functional currencies are different from that of the Group's presentation currency as well as the share of foreign currency translation reserve of associate.

	Share capital \$'000	Treasury shares \$'000	Retained earnings \$'000	Total equity \$'000
Company				
Closing balance as at 1 July 2023	96,719	(698)	386	96,407
Profit for the year	-	-	1,521	1,521
Total comprehensive income	-	-	1,521	1,521
Closing balance as at 30 June 2024	96,719	(698)	1,907	97,928
Closing balance as at 1 July 2022	96,719	(698)	(158)	95,863
Profit for the year	-	-	544	544
Total comprehensive income	-	-	544	544
Closing balance as at 30 June 2023	96,719	(698)	386	96,407

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

CONSOLIDATED CASH FLOW STATEMENT

For the financial year ended 30 June 2024

	Group	
	2024 \$'000	2023 \$'000
Cash flows from operating activities		
Profit before tax	11,606	10,827
Adjustments for:		
Depreciation of property, plant and equipment	790	911
Depreciation of right of use assets	4,018	4,556
Amortisation of trademarks	105	141
Interest expense	2,731	2,034
Share of profit of associate	(549)	(1,579)
Impairment loss on trade receivables, net	646	1,927
Fair value loss/ (gain) on bullion loans designated as financial liabilities at fair value through profit or loss, net	187	(164)
Bad debt written off	79	184
Gain on disposal of subsidiary	-	(83)
Loss/(gain) on disposal/write-off of property, plant and equipment and right of use assets (Note (i))	8	(172)
Unrealised exchange loss	29	165
	19,650	18,747
Operating cash flows before changes in working capital		
Decrease in trade and other receivables and prepayments	(11,408)	(1,257)
Increase in inventories	(4,263)	(21,998)
Increase in trade and other payables	606	2,618
	4,585	(1,890)
Cash flows generated from/ (used in) operations		
Income tax paid, net	(1,815)	(918)
	2,770	(2,808)
Net cash flows generated from/ (used in) operating activities		
Cash flows from investing activities		
Proceeds from disposal of property, plant and equipment and right of use assets (Note (i))	-	316
Purchase of property, plant and equipment (Note (ii))	(888)	(2,722)
Purchase of motor vehicles under lease	-	-
Net cash inflow on acquisition of subsidiary	-	714
Net cash inflow on disposal of subsidiary	-	174
	(888)	(1,518)
Net cash flows used in investing activities		
Cash flows from financing activities		
Proceeds from bank borrowings	21,001	22,550
Repayment of bank borrowings	(15,882)	(12,407)
Proceeds from bullion loans	30,718	3,892
Repayment of bullion loans	(30,588)	-
Increase/(decrease) in bills payables	1,190	(3,439)
Payment of principal portion of lease liabilities	(3,922)	(4,426)
New pledged fixed deposits with banks	(202)	(97)
Interest paid	(2,731)	(2,034)
	(416)	4,039
Net cash flows (used in)/ generated from financing activities		

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

CONSOLIDATED CASH FLOW STATEMENT

For the financial year ended 30 June 2024

	Group	
	2024	2023
	\$'000	\$'000
Net increase/ (decrease) in cash and cash equivalents	1,466	(287)
Net effect of exchange rates changes on the cash balance held in foreign currencies	33	(31)
Cash and cash equivalents at beginning of the financial year	8,389	8,707
Cash and cash equivalents at end of the financial year (Note 17)	9,888	8,389

(i) Gain on disposal of property, plant and equipment and right of use assets

During the financial year, the Group disposed of property, plant and equipment and right of use assets with a carrying amount of \$8,000 (2023: \$5,000) and \$NIL (2023: \$139,000) respectively. Cash proceeds of \$NIL (2023: \$316,000) were received on disposal of the property, plant and equipment and right of use assets.

(ii) Purchase of property, plant and equipment

During the year, the Group acquired property, plant and equipment of \$914,000 (2023: \$2,722,000) (Note 13). The additions include paid amounts of \$888,000 (2023: \$2,722,000) and additions to reinstatement costs amounted to \$26,000 (2023: \$Nil).

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

1. Corporate information

Taka Jewellery Holdings Limited (the “Company”) was incorporated on 22 June 2015 and domiciled in Singapore with its principal place of business and registered office at 3 Kaki Bukit Place, Eunos Techpark, Singapore 416181. Related parties in these financial statements refer to Taka Jewellery Holding Limited’s group of companies.

Taka Jewellery Holdings Limited and its subsidiaries (the “Group”) was formed through a restructuring exercise, where the company became the holding company of Taka Jewellery Pte. Ltd. (“TJPL”) through a share swap arrangement effected on 17 August 2015. The Group represents the continuation of Taka Jewellery Pte. Ltd. and its subsidiaries.

The Company was admitted to the SGX Catalist board on 17 September 2015.

The principal activity of the Company relates to that of an investment holding company. The principal activities of its subsidiaries are stated in the table below:

Name of subsidiary	Principal activities	Country of incorporation/ place of business	Proportion (%) of ownership interest	
			2024	2023
Held by the Company:				
Taka Jewellery Pte Ltd ⁽ⁱ⁾	Wholesale and retail of jewellery	Singapore	100	100
The Diamond Garden (HK) Limited (f.a.k. Voi Hong Kong Limited) ⁽ⁱⁱ⁾	General trading and wholesaling	Hong Kong	100	100
Elite Equity Pte Ltd ⁽ⁱ⁾	Investment holding	Singapore	100	100
Equity Fintech Pte Ltd ⁽ⁱ⁾	Investment holding	Singapore	100	100
Held by Taka Jewellery Singapore Pte Ltd:				
Voi Jewellery Pte Ltd ^(iv)	Wholesale of jewellery	Singapore	100	100
Top Cash Jewellery Pte Ltd ⁽ⁱ⁾	Retail of secondhand jewellery	Singapore	100	100
Top Cash Pte Ltd ⁽ⁱ⁾	Pawnbroking	Singapore	100	100
Taka Jewellery (Hong Kong) Limited ⁽ⁱⁱⁱ⁾	Wholesale of jewellery	Hong Kong	100	100
Taka Bullion Pte Ltd ⁽ⁱ⁾	Gold bullion broker and trader	Singapore	100	100
Held by Taka Jewellery (Hong Kong) Limited:				
Taka Hong Kong Venture Limited ⁽ⁱⁱ⁾	Investment holding	Hong Kong	70	70
Held by Elite Equity Pte Ltd:				
Top Cash Pawnshop Pte Ltd ⁽ⁱ⁾	Pawnbroking	Singapore	100	100
Held by Equity Fintech Pte Ltd:				
BizFintech Pte Ltd ⁽ⁱ⁾	Secured lending	Singapore	100	100
The Diamond Garden Pte Ltd ⁽ⁱ⁾	Wholesale and retail of jewellery	Singapore	100	100

(i) Audited by Ernst & Young LLP, Singapore.

(ii) Audited by East Asia Sentinel Limited, Certified Public Accountants, Hong Kong.

(iii) Audited by Ernst & Young, Certified Public Accountants, Hong Kong.

(iv) The entity is in the process of liquidation.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

2. Material accounting policy information

2.1 Basis of preparation

The consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company have been prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)").

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Singapore Dollars ("SGD" or "\$") and all values in the tables are rounded to the nearest thousand ("\$'000"), except when otherwise indicated.

2.2 Adoption of new and amended standards and interpretations

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial period, 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.

2.3 Standards issued but not yet effective

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

Description	Effective for annual periods beginning on or after
Amendments to SFRS(I) 1-1 <i>Presentation of Financial Statements</i> : Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to SFRS(I) 1-1 <i>Presentation of Financial Statements</i> : Non-current Liabilities with Covenants	1 January 2024
Amendments to SFRS(I) 16 <i>Leases</i> : Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to SFRS(I) 1-7 <i>Statement of Cash Flows</i> and SFRS(I) 7 <i>Financial Instruments: Disclosures</i> : Supplier Finance Arrangements	1 January 2024
Amendments to SFRS(I) 1-21 <i>The Effects of Changes in Foreign Exchange Rates</i> : Lack of Exchangeability	1 January 2025
Amendments to SFRS(I) 10 <i>Consolidated Financial Statements</i> and SFRS(I) 1-28 <i>Investments in Associates and Joint Ventures</i> : Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Date to be determined

The Directors expect that the adoption of the standards above will have no material impact on the financial statements in the year of initial application.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

2. Material accounting policy information (cont'd)

2.4 Revenue

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Group satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

(a) Sale of jewellery

Revenue from sale of jewellery is recognised upon satisfaction of the identified performance obligation, which generally coincides with delivery and acceptance of promised goods sold, net of discounts, returns and applicable goods and services tax. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

(b) Interest income from financial services

Interest income from financial services mainly relates to interest income from pawnbroking and secured lending and they are recognised on a time-proportion basis using the effective interest method.

(c) Dividend income

Dividend income is recognised when the Group's right to receive payment is established.

(d) Rental income

Rental income arising from operating leases is accounted for on a straight-line basis over the lease terms. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

2.5 Basis of consolidation and business combinations

(a) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

2. Material accounting policy information (cont'd)

2.5 Basis of consolidation and business combinations (cont'd)

(a) Basis of consolidation (cont'd)

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- de-recognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost;
- de-recognises the carrying amount of any non-controlling interest;
- de-recognises the cumulative translation differences recorded in equity;
- recognises the fair value of the consideration received;
- recognises the fair value of any investment retained;
- recognises any surplus or deficit in profit or loss;
- re-classifies the Group's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

(b) Business combinations

Business combinations are accounted for by applying the acquisition method. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is an asset or liability are recognised in profit or loss.

Non-controlling interest in the acquiree, that are present ownership interests and entitle their holders to a proportionate share of net assets of the acquiree are recognised on the acquisition date at either fair value, or the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill. In instances where the latter amount exceeds the former, the excess is recognised as gain on bargain purchase in profit or loss on the acquisition date.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

2. Material accounting policy information (cont'd)

2.6 Foreign currency

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

(a) Transactions and balances

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, which are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operation.

(b) Consolidated financial statements

For consolidation purpose, the assets and liabilities of foreign operations are translated into SGD at the rate of exchange ruling at the end of the reporting period and their profit or loss are translated at the exchange rates prevailing at the date of the transactions. The exchange differences arising on the translation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

2.7 Subsidiaries

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses.

2.8 Associate

An associate is an entity, not being a subsidiary or a joint venture, in which the Group has significant influence. An associate is equity accounted for from the date the Group obtains significant influence until the date the Group ceases to have significant influence over the associate.

The Group's investment in associate is accounted for using the equity method. Under the equity method, the investment in associate is carried in the balance sheet at cost plus post-acquisition changes in the Group's share of net assets of the associate. Any excess of the Group's share of the net fair value of the associate's identifiable assets, liabilities and contingent liabilities over the cost of the investment is included as income in the determination of the Group's share of results of the associate in the period in which the investment is acquired.

The profit or loss reflects the share of the results of operations of the associate. Where there has been a change recognised in other comprehensive income by the associate, the Group recognises its share of such changes in other comprehensive income. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

2. Material accounting policy information (cont'd)

2.8 Associate (cont'd)

The Group's share of the profit or loss of its associate is the profit attributable to equity holders of the associate and, therefore is the profit or loss after tax and non-controlling interests in the subsidiaries of associate.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in its associate. The Group determines at the end of each reporting period whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount in profit or loss.

The financial statements of the associate is prepared as of the same reporting date as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the aggregate of the retained investment and proceeds from disposal is recognised in profit or loss.

2.9 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. When significant parts of property, plant and equipment are required to be replaced in intervals, the Group recognises such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the property, plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Depreciation is computed on a straight-line basis over the estimated useful lives of the property, plant and equipment as follows:

Leasehold properties	- 25 to 60 years
Renovation	- 3 to 5 years
Motor vehicles	- 10 years
Furniture and fittings and office equipment	- 3 to 5 years

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

2. Material accounting policy information (cont'd)

2.10 *Intangible assets*

Intangible assets acquired separately are measured initially at cost. Following initial acquisition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in profit or loss in the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite useful lives are amortised over the estimated useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

Trademarks

The trademarks were acquired in business combinations and are amortised on a straight line basis over its finite useful life of 10 years.

2.11 *Impairment of non-financial assets*

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when an annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses of continuing operations are recognised in profit or loss, except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

2. Material accounting policy information (cont'd)

2.12 *Financial instruments*

(a) *Financial assets*

Initial recognition and measurement

Financial assets are recognised when, and only when the entity becomes party to the contractual provisions of the instruments.

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Trade receivables are measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

Subsequent measurement

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

Amortised cost

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

De-recognition

A financial asset is de-recognised where the contractual right to receive cash flows from the asset has expired. On de-recognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income for debt instruments is recognised in profit or loss.

(b) *Financial liabilities*

Initial recognition and measurement

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

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

Amortised cost

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the liabilities are de-recognised, and through the amortisation process.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

2. Material accounting policy information (cont'd)

2.12 *Financial instruments (cont'd)*

(b) *Financial liabilities (cont'd)*

Fair value through profit or loss

Financial liabilities that are carried at fair value through profit or loss are subsequently measured at fair value. Any gains or losses arising from changes in fair value of the financial liabilities are recognised in profit or loss.

De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. On derecognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss.

2.13 *Financial guarantees*

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

Financial guarantees are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, financial guarantees are measured at the higher of the amount of expected credit loss determined in accordance with the policy set out in Note 2.14 and the amount initially recognised less, when appropriate, the cumulative amount of income recognised over the period of the guarantee.

2.14 *Impairment of financial assets*

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

Loans and related interest receivable from the Group's financial services business

The Group uses the general approach and estimates for lifetime ECLs on the loans and related interest receivables. ECLs are based on the difference between the contractual cash flows due in accordance with the contractual terms of the loans and all the cash flows that the Group expects to receive from the sale of collateral held.

For pawnshop loans, the Group considers a financial asset in default upon non-redemption of pawn articles leading to termination of the pawn contracts and forfeiture of the collateral held by the Group. The Group estimates the probability of default based on historical experience of terminated contracts and consideration of forward-looking factors.

Trade receivables from the Group's jewellery business

The Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its evaluation of debt collectability, analysis of historical write-offs and credit losses, aging analysis of trade receivables and consideration of forward-looking factors specific to the debtors and economic environment.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

2. Material accounting policy information (cont'd)

2.15 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As lessee

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

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Retail outlets	-	lower of lease period or 5 years
Motor vehicles	-	10 years

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. The accounting policy for impairment is disclosed in Note 2.11.

Lease liabilities

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

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

2. Material accounting policy information (cont'd)

2.15 Leases (cont'd)

As lessor

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income. Rental income is accounted for on a straight-line basis over the lease terms.

2.16 Inventories

Inventories are stated at the lower of cost and net realisable value. Costs incurred in bringing the inventories to their present location and condition are accounted for as follows:

- Raw materials: purchase costs on a weighted average basis.
- Finished goods: cost of raw materials and labour, determined on specific identification basis.

Where necessary, allowance is provided for damaged, obsolete and slow moving items to adjust the carrying value of inventories to the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

2.17 Taxes

(a) *Current income tax*

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of the reporting period, in the countries where the Group operates and generates taxable income.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(b) *Deferred tax*

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

2. Material accounting policy information (cont'd)

2.17 Taxes (cont'd)

(b) *Deferred tax (cont'd)*

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

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

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

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

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

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

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, would be recognised subsequently if new information about facts and circumstances changed. The adjustment would either be treated as a reduction to goodwill (as long as it does not exceed goodwill) if it incurred during the measurement period or in profit or loss.

(c) *Goods and services tax ("GST")*

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

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

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheets.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

2. Material accounting policy information (cont'd)

2.18 *Share capital and share issue expenses*

Proceeds from issuance of ordinary shares net of directly attributable expenses are recognised as share capital in equity.

2.19 *Provisions*

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.20 *Employee benefits*

(a) *Defined contribution plans*

The Singapore companies in the Group make contributions to the Central Provident Fund ("CPF") Scheme in Singapore, a defined contribution pension scheme. Contributions to defined pension schemes are recognised as expense in the period in which the related service is performed.

(b) *Employee leave entitlement*

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

2.21 *Cash and cash equivalents*

Cash and cash equivalents comprise cash at banks including fixed deposits and cash on hand, that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

2.22 *Segment reporting*

For management purposes, the Group is organised into operating segments based on their products and services, which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge.

The segment managers report directly to the management of the Company who regularly reviews the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 31, including the factors used to identify the reportable segments and the measurement basis of segment information.

2.23 *Contingencies*

A contingent liability is:

- (a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

2. Material accounting policy information (cont'd)

2.23 Contingencies (cont'd)

- (b) a present obligation that arises from past events but is not recognised because:
- (i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
 - (ii) The amount of the obligation cannot be measured with sufficient reliability.

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

Contingent liabilities and assets are not recognised on the statement of financial position of the Group.

2.24 Treasury shares

The Group's own equity instruments, which are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount of treasury shares and the consideration received, if reissued, is recognised directly in equity. Voting rights related to treasury shares are nullified for the Group and no dividends are allocated to them respectively.

2.25 Related parties

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

3. Significant accounting judgements and estimate

The preparation of the Group's 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.

3.1 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.

Allowance for impairment of trade receivables

The Group uses a provision matrix to calculate ECLs for its trade receivables from wholesale and exhibitions 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.

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. The carrying amount of the Group's trade receivables at the end of the reporting period is disclosed in Note 16 to the financial statements.

Allowance for inventory obsolescence

The Group assesses periodically the allowance for inventories to record inventories at the lower of cost and net realisable value. When inventories are deemed obsolete or when the net realisable value falls below cost, the amount of obsolete inventories or fall in value is recognised as an allowance for inventories. To determine whether there is objective evidence of obsolescence or decline in net realisable value, the Group estimates future demand for the product and assesses prevailing market conditions and gold prices. The carrying amount of the Group's inventories at the end of the reporting period is disclosed in Note 15 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

4. Revenue

	Group	
	2024	2023
	\$'000	\$'000
<u>Recognised at a point in time</u>		
Sale of jewellery	142,836	142,535
<u>Recognised over time</u>		
Interest income from financial services	3,920	3,354
	146,756	145,889
	146,756	145,889

5. Other operating income

	Group	
	2024	2023
	\$'000	\$'000
Government grants	66	92
Sundry income	251	449
	317	541
	317	541

Government grants relate to Wage Credit scheme ("WCS") and Temporary Employment Credit ("TEC") from the government.

6. Finance costs

	Group	
	2024	2023
	\$'000	\$'000
Interest expense on:		
- Bank loans	2,201	1,484
- Bills payable	35	92
- Bullion loans	189	107
- Lease liabilities	306	351
	2,731	2,034
	2,731	2,034

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

7. Profit before tax

The following items have been included in arriving at profit before tax:

	Group	
	2024	2023
	\$'000	\$'000
Employee compensation (Note 8)	14,630	13,588
Depreciation of right of use assets (Note 23)	4,018	4,556
Depreciation of property, plant and equipment (Note 13)	790	911
Loss/(gain) on disposal of property, plant and equipment and right of use assets	8	(172)
Amortisation of trademarks (Note 14)	105	141
Impairment loss on trade receivables, net (Note 16)	646	1,927
Bad debt written off	79	184
Fair value loss/(gain) on bullion loans designated as financial liabilities at fair value through profit or loss, net	187	(164)
Net foreign currency exchange loss	365	320
Audit fees:		
– Auditor of the Company	206	191
– Other auditors	7	2
Non-audit fees:		
– Auditor of the Company	38	–
– Other auditors	3	18

8. Employee compensation

	Group	
	2024	2023
	\$'000	\$'000
Short-term employment benefits	13,565	12,591
Employer's contribution to Central Provident Fund	1,065	997
	<u>14,630</u>	<u>13,588</u>

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

9. Income tax expense

Major components of income tax expense

The major components of income tax expense for the financial year ended 30 June are:

	Group	
	2024	2023
	\$'000	\$'000
<i>Statement of comprehensive income:</i>		
<u>Current income tax</u>		
Current year	1,656	1,656
(Over)/under provision in respect of prior years	(244)	17
<u>Deferred income tax</u>		
Current year	32	274
Over provision in respect of prior years	(157)	(21)
Income tax expense recognised in profit or loss	1,287	1,926

Reconciliation between tax expense and profit before tax

The reconciliation between tax expense and the product of profit before tax multiplied by the applicable corporate tax rate for the financial year ended 30 June are as follows:

	Group	
	2024	2023
	\$'000	\$'000
Profit before tax	11,606	10,827
Tax at domestic rates applicable to profits in the countries where the Group operates	1,779	1,465
Adjustments:		
Non-deductible expenses	232	443
Income not subject to tax	(62)	(51)
Tax effect of partial tax exemption, tax relief, enhanced allowance and effect of double tax deduction*	(330)	(193)
Deferred tax assets not recognised	5	30
Benefits from previously unrecognised tax assets	(6)	-
Share of profit of associate	93	268
Over provision in respect of prior years	(401)	(4)
Others	(23)	(32)
Income tax expense recognised in profit or loss	1,287	1,926

The above reconciliation is prepared by aggregating separate reconciliations for each national jurisdiction.

* The Group has applied for Double Tax Deduction scheme ("DTD") under the Income Tax Act 1947 of Singapore for certain qualifying overseas expenses incurred during the Group's overseas exhibitions.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

10. Earnings per share

Basic earnings per share amounts are calculated by dividing the profit for the year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares during the year. Diluted earnings per share are similar to basic earnings per share as there were no potential dilutive ordinary shares existing during the respective financial years.

	Group	
	2024 \$'000	2023 \$'000
Profit for the year attributable to owners of the Company used in computation of earnings per share	10,321	9,001
	No. of shares	No. of shares
Weighted average number of ordinary shares for basic and diluted earnings per share	559,406,000	559,406,000

The weighted average number of ordinary shares refers to shares outstanding during the reporting period.

11. Investment in subsidiaries

	Company	
	2024 \$'000	2023 \$'000
Unlisted shares, at cost	82,076	82,076

Details of subsidiaries of the Group are disclosed in Note 1.

12. Investment in associate

	Group	
	2024 \$'000	2023 \$'000
Unlisted shares, at cost	2,500	2,500
Share of post-acquisition reserves	5,945	5,396
	8,445	7,896

Details of associate of the Group is as follows:

Name of associate	Principal activities	Country of incorporation/ place of business	Proportion (%) of ownership interest	
			2024	2023
<i>Held through subsidiaries:</i>				
Globe Diamonds Pte Ltd ⁽ⁱ⁾	Wholesale of diamonds	Singapore	50	50

⁽ⁱ⁾ Audited by MT & Partners LLP, Singapore.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

12. Investment in associate (cont'd)

The summarised financial information of Globe Diamonds Pte Ltd, based on its SFRS(l) financial statements including consolidation adjustments, and reconciliation with the carrying amount of the investment in the consolidated financial statements are as follows:

	Group	
	2024	2023
	\$'000	\$'000
<i>Summarised balance sheet</i>		
Non-current assets	4,025	5,949
Current assets	16,457	17,093
Total assets	20,482	23,042
Non-current liabilities	2,645	4,194
Current liabilities	854	3,057
Total liabilities	3,499	7,251
Net assets	16,983	15,791
Proportion of the Group's ownership	50%	50%
Group's share of net assets	8,492	7,896
Unrealised profits	(47)	-*
Carrying amount of the investment	8,445	7,896
<i>Summarised statement of comprehensive income</i>		
Revenue	11,731	31,592
Profit after tax	1,191	3,072
Other comprehensive income	-	-
Total comprehensive income	1,191	3,072

* less than \$1,000

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

13. Property, plant and equipment

Group	Leasehold properties \$'000	Furniture and fittings and office equipment \$'000	Motor vehicles \$'000	Renovation \$'000	Total \$'000
Cost					
At 1 July 2022	10,750	1,844	358	2,523	15,475
Acquisition of subsidiary	-	127	-	268	395
Additions	-	551	975	1,196	2,722
Disposal/write off	-	(19)	(355)	-	(374)
Disposal of subsidiary	-	(510)	(72)	(1,144)	(1,726)
At 30 June 2023 and 1 July 2023	10,750	1,993	906	2,843	16,492
Additions	-	203	-	711	914
Disposal/write off	-	(79)	-	(271)	(350)
Reclass from ROUA to PPE	-	-	181	-	181
At 30 June 2024	10,750	2,117	1,087	3,283	17,237
Accumulated depreciation					
At 1 July 2022	2,672	1,585	331	2,219	6,807
Charge for the year	259	247	71	334	911
Disposal/write off	-	(19)	(350)	-	(369)
Disposal of subsidiary	-	(46)	(5)	(126)	(177)
At 30 June 2023 and 1 July 2023	2,931	1,767	47	2,427	7,172
Charge for the year	259	133	108	290	790
Disposal/write off	-	(79)	-	(263)	(342)
Reclass from ROUA to PPE	-	-	129	-	129
At 30 June 2024	3,190	1,821	284	2,454	7,749
Net carrying amount					
At 30 June 2024	7,560	296	803	829	9,488
At 30 June 2023	7,819	226	859	416	9,320

Leasehold properties with a carrying amount of \$5,507,000 (2023: \$6,040,000) is pledged to secure the Group's bank borrowings (Note 18).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

14. Trademarks

	Group \$'000
Cost	
As at 1 July 2022, 30 June 2023, 1 July 2023 and 30 June 2024	1,408
Accumulated amortisation	
As at 1 July 2022	1,162
Charge for the year	141
As at 30 June 2023 and 1 July 2023	1,303
Charge for the year	105
At 30 June 2024	1,408
Net carrying value	
As at 30 June 2024	-
As at 30 June 2023	105

Trademarks relate to the "Taka Jewellery" trademarks. The trademarks have been fully amortised in 2024 (2023: remaining useful life of 1 year).

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

15. Inventories

	Group	
	2024	2023
	\$'000	\$'000
Balance sheet:		
Finished goods and goods for resale	78,296	73,285
Raw materials	30,976	31,724
Total inventories	109,272	105,009
Consolidated statement of comprehensive income:		
Inventories recognised as an expense in cost of sales	104,104	103,589

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

16. Trade and other receivables

	Group		Company	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Non-current				
Rental deposits	1,208	664	-	-
Current				
Trade receivables:				
- Third parties	60,655	49,909	-	-
Other receivables:				
Third parties	67	935	1	1
Deposits	474	595	-	-
Advances to suppliers	715	347	-	-
Amount due from subsidiary	-	-	15,113	13,643
	1,256	1,877	15,114	13,644
Total current receivables	61,911	51,786	15,114	13,644
Total trade and other receivables	63,119	52,450	15,114	13,644
Add/(less):				
Advances to suppliers	(715)	(347)	-	-
Cash and bank balances (Note 17)	12,709	11,008	810	759
GST receivable	-	-	(1)	(1)
Total financial assets carried at amortised cost	75,113	63,111	15,923	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.

Included in the trade receivables are pawnshop loans and secured lending receivables which bear interest ranging from 0.70% to 0.83% (2023: 0.70% to 0.83%) per month and are secured by assets of the borrowers. These trade receivables have remaining maturities ranging between 2 to 12 months (2023: 2 to 12 months).

The amount due from subsidiary is unsecured, interest-free, repayable on demand.

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

	Group	
	2024 \$'000	2023 \$'000
United States Dollars	22,348	12,542
Hong Kong Dollars	636	686

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

16. Trade and other receivables (cont'd)

Expected credit losses

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

	Lifetime ECL - credit- impaired S\$'000	Lifetime ECL - not credit- impaired S\$'000	Total S\$'000
Balance as at 1 July 2022	5,827	1,284	7,111
Charged for the year	2,146	59	2,205
Write back	(263)	(15)	(278)
Write off	(261)	-	(261)
Foreign exchange gain	(53)	-	(53)
Balance as at 30 June 2023	7,396	1,328	8,724
Charged for the year	1,819	6	1,825
Write back	(873)	(306)	(1,179)
Write off	(636)	-	(636)
Foreign exchange loss	16	-	16
Balance as at 30 June 2024	7,722	1,028	8,750

17. Cash and bank balances

	Group		Company	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Fixed deposits pledged with banks	2,821	2,619	-	-
Cash and bank balances	9,888	8,389	810	759
	12,709	11,008	810	759

Fixed deposits are pledged for bank borrowings and bear interest at 0.35% to 2.51% (2023: 0.35% to 2.72%) per annum.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

17. Cash and bank balances (cont'd)

Cash and bank balances denominated in foreign currencies as at the end of the financial year are as follows:

	Group		Company	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
United States Dollars	2,471	1,257	-	-
Hong Kong Dollars	576	217	-	-
Chinese Renminbi	62	62	-	-

For the purpose of the consolidated cash flow statement, cash and cash equivalents comprise the following:

	Group	
	2024 \$'000	2023 \$'000
Cash and bank balances	9,888	8,389

18. Loans and borrowings

	Group	
	2024 \$'000	2023 \$'000
Current		
Bills payable	1,190	-
Revolving loans	26,550	18,050
Floating rate term loans	4,498	3,756
Fixed rate term loans	2,531	2,484
	<u>34,769</u>	<u>24,290</u>
Non-current		
Floating rate term loans	8,537	10,176
Fixed rate term loans	604	3,135
	<u>9,141</u>	<u>13,311</u>

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

Bills payable bears interest at ranging from 5.14% (2023: Nil%) per annum and are repayable within 120 days. Bills payable is denominated in United States Dollars.

Revolving loans bear interest at rates ranging from 4.87% to 5.57% (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% (2023: 2.27% to 6.18%) per annum. The loans mature between 1 and 19 years (2023: 2 to 20 years) as at 30 June 2024. Floating rate term loans amounting to \$4,138,000 (2023: \$4,254,000) are secured by first mortgage over leasehold properties (Note 13) owned by the Group.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

18. Loans and borrowings (cont'd)

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

Certain bank borrowings are secured by pledge of fixed deposits. Revolving loans of \$16,300,000 (2023: \$13,900,000) is secured by a subsidiary's cash account and a fixed and floating charge on all present and future assets of the subsidiary.

All bank borrowings are secured by corporate guarantee from the Company. An amount of \$16,649,000 (2023: \$13,900,000) is also secured by corporate guarantee from a subsidiary.

A reconciliation of liabilities arising from financing activities is as follows:

	1.7.2023	Cash flows	Non-cash changes				30.6.2024
			Addition/ modification	Accretion of interest	Fair value loss	Other ^[1]	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revolving loans	18,050	(10,282)	17,500	1,282	-	-	26,550
Bills payables	-	(1,621)	2,776	35	-	-	1,190
Floating rate term loans							
- Current	3,756	(5,226)	642	828	-	4,498	4,498
- Non-current	10,176	-	2,859	-	-	(4,498)	8,537
Fixed rate term loan							
- Current	2,484	(2,575)	-	91	-	2,531	2,531
- Non-current	3,135	-	-	-	-	(2,531)	604
Lease liabilities (Note 23)							
- Current	3,483	(4,240)	1,806	306	-	3,469	4,824
- Non-current	4,114	-	3,098	-	-	(3,457)	3,755
Bullion loans (Note 19)	3,728	(30,777)	30,718	189	187	-	4,045
Total	48,926	(54,721)	59,399	2,731	187	12	56,534

	1.7.2022	Cash flows	Non-cash changes				30.6.2023
			Addition/ modification	Accretion of interest	Fair value gain	Other ^[1]	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revolving loans	14,500	(9,927)	12,550	927	-	-	18,050
Bills payables	3,439	(6,912)	3,480	92	-	(99)	-
Floating rate term loans							
- Current	675	(2,350)	11,000	382	-	(5,951)	3,756
- Non-current	4,225	-	-	-	-	5,951	10,176
Fixed rate term loan							
- Current	2,439	(2,614)	-	175	-	2,484	2,484
- Non-current	5,619	-	-	-	-	(2,484)	3,135
Lease liabilities (Note 23)							
- Current	2,986	(4,777)	3,934	351	-	989	3,483
- Non-current	3,795	-	2,654	-	-	(2,335)	4,114
Bullion loans (Note 19)	-	(19,575)	23,430	107	(164)	(70)	3,728
Total	37,678	(46,155)	57,048	2,034	(164)	(1,515)	48,926

^[1] 'Other' column relates to acquisition and disposal of subsidiary, reclassification of non-current portion of loans and borrowings due to passage of time, effect of foreign exchange on loans and borrowings denominated in foreign currencies.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

19. Bullion loans

Bullion loans were drawn down to reduce the impact of fluctuation of bullion prices on bullion inventories. Bullion loans are designated as financial liabilities at fair value through profit or loss as they are managed and their performance are evaluated on a fair value basis.

The bullion loans are pegged to market bullion prices, carry fixed interest rate 3.2% per annum and are due for repayment within 3 months. The carrying amount of bullion loans is \$4,045,000 as at 30 June 2024.

Bullion loans are secured by corporate guarantee from the Company.

The bullion loans are denominated in United States Dollars.

20. Trade and other payables

	Group		Company	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Non-current				
Provision for reinstatement cost (Note 22)	243	132	-	-
Current				
Trade payables:				
Third parties	17,003	16,430	-	-
Associates	2,193	2,583	-	-
	19,196	19,013	-	-
Other payables:				
Third parties	1,174	1,015	4	9
Accrued expenses	3,913	3,581	68	65
Provision for reinstatement cost (Note 22)	24	132	-	-
Total current trade and other payables	24,307	23,741	72	74
Total trade and other payables	24,550	23,873	72	74
Add/(less):				
Loans and borrowings (Note 18)	43,910	37,601	-	-
GST payables	(618)	(552)	-	-
Provision for reinstatement cost (Note 22)	(267)	(264)	-	-
Deferred revenue	-	(80)	-	-
Total financial liabilities at amortised cost	67,575	60,578	72	74

Trade payables are non-interest bearing and are normally settled on 30 to 210 days' terms.

Deferred revenue relates to interest income received in advance on secured lending receivables.

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

	Group	
	2024 \$'000	2023 \$'000
United States Dollars	16,169	18,194
Hong Kong Dollars	664	24

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

21. Deferred tax

	Group			
	Balance sheet		Consolidated statement of comprehensive income	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
<i>Deferred tax assets/(liabilities)</i>				
Property, plant and equipment	(73)	(16)	(57)	(10)
Intangible assets	–	(18)	18	24
Leases	34	21	13	7
Provisions	352	213	139	(274)
Unutilised items	12	–	12	–
	325	200	125	(253)
Represented by:				
Deferred tax assets	325	200		

At the end of the reporting period, the subsidiaries of the Group have unutilised tax losses of approximately \$40,000 (2023: \$551,000) that are available for offset against future taxable profits of these subsidiaries in which the losses arose, for which no deferred tax asset is recognised due to uncertainty of their recoverability. The utilisation of these tax losses, which have no expiry, is subject to the agreement of the tax authorities and compliance with the relevant provisions of the tax legislation.

22. Provision for reinstatement cost

	Group	
	2024 \$'000	2023 \$'000
At beginning of year	264	275
Additions	26	–
Utilisation	(23)	(11)
At end of year	267	264
<i>Comprise:</i>		
Current	24	132
Non-current	243	132
Total provision for reinstatement cost (Note 20)	267	264

The amount relates to provision for reinstatement costs arising from retail outlets lease arrangements.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

23. Leases

Group as a lessee

The Group has lease contracts for retail and office premise and motor vehicles. The Group's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Group is restricted from assigning and subleasing the leased assets. There are several lease contracts that include extension options and variable lease payments which are further discussed below.

The Group also has certain leases with lease terms of 12 months or less and leases of equipment with low value. The Group applies the "short-term lease" and "lease of low-value assets" recognition exemption for these leases.

(a) Right-of-use assets

Group	Retail and office premises \$'000	Motor vehicles \$'000	Total \$'000
Cost			
At 1 July 2022	17,956	1,811	19,767
Acquisition of subsidiary	239	-	239
Additions	1,610	-	1,610
Modifications	4,978	-	4,978
Disposal	(396)	(283)	(679)
Disposal of subsidiary	(1,849)	-	(1,849)
At 30 June 2023 and 1 July 2023	22,538	1,528	24,066
Additions	957	-	957
Modifications	3,947	-	3,947
Disposal	(1,700)	-	(1,700)
Translation	(2)	-	(2)
Reclass ROUA to PPE	-	(181)	(181)
At 30 June 2024	25,740	1,347	27,087
Accumulated depreciation			
At 30 June 2022 and 1 July 2022	11,999	312	12,311
Charge for the year	4,389	167	4,556
Disposal	(396)	(144)	(540)
Disposal of subsidiary	(315)	-	(315)
At 30 June 2023 and 1 July 2023	15,677	335	16,012
Charge for the year	3,883	135	4,018
Disposal	(1,700)	-	(1,700)
Translation	(1)	-	(1)
Reclass ROUA to PPE	-	(129)	(129)
At 30 June 2024	17,859	341	18,200
Net carrying amount			
At 30 June 2024	7,881	1,006	8,887
At 30 June 2023	6,861	1,193	8,054

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

23. Leases (cont'd)

Group as a lessee (cont'd)

(b) Lease liabilities

	Group	
	2024 \$'000	2023 \$'000
Current	4,824	3,483
Non-current	3,755	4,114
	<u>8,579</u>	<u>7,597</u>

The movement of lease liabilities during the year are disclosed in Note 18. The maturity analysis of lease liabilities is disclosed in Note 28.

(c) Amounts recognised in profit or loss

	Group	
	2024 \$'000	2023 \$'000
Depreciation of right-of-use assets	4,018	4,556
Interest expense on lease liabilities	306	351
Lease expenses not capitalised in lease liabilities		
- Expenses relating to short-term leases	34	31
- Expenses relating to variable leases	308	284
Total amount recognised in profit or loss	<u>4,666</u>	<u>5,222</u>

(d) Total cash outflow

The Group had total cash outflows for leases of \$4,582,000 in 2024 (2023: \$5,092,000).

(e) Extension options

The Group has several lease contracts that includes extension options. The options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Group's business needs.

Set out below are the undiscounted potential future rental payments relating to periods following the exercise date of extension options that are not included in the lease term:

Group	Within five years \$'000	More than five years \$'000	Total \$'000
30.6.2024			
Extension options expected not to be exercised	-	-	-
30.6.2023			
Extension options expected not to be exercised	32	-	32

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

24. Share capital

	Group and Company			
	2024	2023	2024	2023
	Number of shares		\$'000	
<i>Issued and fully paid ordinary shares (including treasury shares per Note 25):</i>				
At beginning and end of financial year	565,506,000	565,506,000	96,719	96,719

The holders of the ordinary shares (excluding treasury shares) are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions. The ordinary shares have no par value.

25. Treasury shares

	Group and Company			
	2024	2023	2024	2023
	Number of shares		\$'000	
At beginning and end of financial year	6,100,000	6,100,000	698	698

Treasury shares relate to ordinary shares of the Company that is held by the Company.

26. Related party transactions

(a) Significant related party transactions

In addition to the information disclosed elsewhere in the financial statements, the following transactions took place between the Group and related party at terms agreed between the parties:

	Group	
	2024	2023
	\$'000	
Sale of goods to associate	(1,179)	(838)
Purchases of goods from associate	10,958	28,072

(b) Key management personnel compensation

The remuneration of Directors and key management personnel during the financial year is as follows:

	Group	
	2024	2023
	\$'000	
Short-term employment benefits	4,085	3,802
Employer's contributions to Central Provident Fund	99	86
	4,184	3,888
<i>Comprise amounts paid/payable to:</i>		
Directors of the Company	3,092	2,825
Other key management personnel	1,092	1,063
	4,184	3,888

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

26. Related party transactions (cont'd)

(b) *Key management personnel compensation (cont'd)*

Key management personnel of the Group are those persons having the authority and responsibility for planning, directing and controlling activities of the Group. The Directors and executive officers of the Group are considered as key management personnel of the Group.

27. Contingent liabilities

	Group		Company	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Secured bank loan and credit facilities granted to an associate	3,000	4,624	-	-
Secured bank loan and credit facilities granted to subsidiaries	-	-	47,931	41,329

The Company has agreed to provide continuing financial support to certain subsidiaries.

28. Financial risk management objectives and policies

The Group is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk and foreign currency risk. The Directors review and agree policies and procedures for the management of these risks, which are executed by the management. It is, and has been throughout the current and previous financial year, the Group's policy that no derivatives shall be undertaken for trading and speculative purposes. The Group's overall business strategies, tolerance of risk and general risk management philosophy are determined by Directors in accordance with prevailing economic and operating conditions.

There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures the risks.

The following sections provide details regarding the Group's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

(a) *Credit risk*

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's exposure to credit risk arises primarily from trade and other receivables. For other financial assets, the Group minimises credit risk by dealing exclusively with high credit rating counterparties.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

The Group has determined the default event on a financial asset to be when the counterparty fails to make contractual payments when they fall due and there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

28. Financial risk management objectives and policies (cont'd)

(a) Credit risk (cont'd)

To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at reporting date with the risk of default as at the date of initial recognition.

The Group determined that its financial assets are credit-impaired when:

- There is significant financial difficulty of the issuer or the borrower
- A breach of contract, such as a default or past due event
- It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation

Where loans and receivables have been written off, the Group continues to engage enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

The following are classes of financial assets that are exposed to credit risk:

Trade receivables from the Group's financial services business

Pawnshop loans and secured lending receivables are collateralised whereby the quantum of loans granted to customers is based on a fraction of the value of the collaterals pledged to the Group. Although the collateral does not influence whether the financial instrument has a low credit risk, the expected cash flows in the assessment of net lifetime expected credit losses will include cash flows from the sale of collateral held.

The Group uses a provision matrix to estimate the allowance for expected credit losses for these loans. The key inputs of the ECL model are the probability of default and loss given default. For pawnshop loans, the Group has estimated the probability of default being the forfeiture of the customers' pledges based on historical non-redemption data of its pawnshop outlets. The Group has estimated the loss given default as the amount of loss exposure at default after considering the expected realisable value of the customers' pledges.

Trade receivables from the Group's jewellery business

The Group applies the simplified approach and recognises a loss allowance based on lifetime ECLs at each reporting date. Trade receivables that are credit impaired are assessed for impairment by making debtor-specific assessment. The ECL model considers the Group's assessment of the collectability, analysis of historical analysis and credit losses, and aging analysis of trade receivables.

Summarised below is the information about the credit risk exposure on the Group's trade receivables from the Group's wholesale and exhibitions business using provision matrix.

Group	Less than 1 year \$'000	1 to 3 years \$'000	More than 3 years \$'000	Total \$'000
30.6.2024				
Gross carrying amount	14,908	1,177	8,378	24,463
Loss allowance	(871)	(200)	(7,533)	(8,604)
30.6.2023				
Gross carrying amount	12,652	1,169	10,853	24,674
Loss allowance	(79)	(882)	(7,729)	(8,690)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

28. Financial risk management objectives and policies (cont'd)

(a) **Credit risk (cont'd)**

Amount due from subsidiary

The Company assessed that there is no indication of a significant deterioration in credit risk based on the financial performance of its subsidiary. The Company uses the general approach and recognises loss allowance based on 12-month ECL on the financial asset.

Information regarding the loss allowance provision as at 30 June 2024 and 2023 are disclosed in Note 16.

Exposure to credit risk

At the balance sheet date, the Group's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the balance sheets.

Credit risk concentration profile

The Group determines concentrations of credit risk by monitoring the business segment profile of its trade receivables on an ongoing basis. The credit risk concentration profile of the Group's trade receivables at the balance sheet date is as follows:

	Group	
	2024 \$'000	2023 \$'000
<u>Business segment</u>		
Retail	1,304	971
Wholesale and exhibitions	15,559	15,449
Financial services	43,792	33,489
	<u>60,655</u>	<u>49,909</u>

There is a single debtor within the wholesale and exhibitions segment whose trade receivables represented 12% (2023: 16%) of total trade receivables for the financial year ended 30 June 2024.

(b) **Liquidity risk**

Liquidity risk is the risk that the Group will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of short term loan facilities.

The Group's liquidity risk management policy is that to maintain sufficient liquid financial assets and short term loan facilities with different banks and business alliances. At the end of the reporting period, approximately 81% (2023: 68%) of the Group's loans and borrowings will mature in less than one year based on the carrying amount reflected in the financial statements.

The Group assessed the concentration risk with respect to refinancing its debts and concluded it to be low. Access to sources of funding is sufficiently available and debts maturing within 12 months can be rolled over with existing lender.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

28. Financial risk management objectives and policies (cont'd)

(b) Liquidity risk (cont'd)

Analysis of financial instruments by remaining contractual maturities

The table summarises the maturity profile of the Group's financial liabilities at the end of the reporting period based on contractual undiscounted repayment obligations.

	Group			Total \$'000
	One year or less \$'000	One to five years \$'000	Over five years \$'000	
30.6.2024				
Financial liabilities:				
Trade and other payables	23,665	-	-	23,665
Loans and borrowings	39,417	6,643	4,864	50,924
Bullion loans	4,150	-	-	4,150
Lease liabilities	5,059	3,881	-	8,940
Total undiscounted financial liabilities	72,291	10,524	4,864	87,679
30.6.2023				
Financial liabilities:				
Trade and other payables	22,977	-	-	22,977
Loans and borrowings	28,925	10,805	5,162	44,892
Bullion loans	3,924	-	-	3,924
Lease liabilities	3,693	4,362	-	8,055
Total undiscounted financial liabilities	59,519	15,167	5,162	79,848

At the end of the reporting period, all of the Company's financial liabilities will mature in less than one year based on the carrying amounts reflected in the financial statements.

The table below shows the contractual expiry by maturity of the Group and Company's contingent liabilities and commitments. The maximum amount of the financial guarantee contracts is allocated to the earliest period in which the guarantee could be called.

	One year or less \$'000	One to five years \$'000	Over five years \$'000	Total \$'000
Group				
30.6.2024				
Financial guarantees	363	663	1,974	3,000
30.6.2023				
Financial guarantees	439	1,132	3,053	4,624
Company				
30.6.2024				
Financial guarantees	38,791	5,680	3,460	47,931
30.6.2023				
Financial guarantees	28,017	9,706	3,606	41,329

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

28. Financial risk management objectives and policies (cont'd)

(c) **Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk arises primarily from its loans and borrowings. All of the Group's financial assets and liabilities at floating rates are contractually re-priced at intervals of less than 12 months from the end of the reporting period.

The Group's policy is to manage interest costs using a mix of fixed and floating rate debts taking into consideration the funding requirements of the Group.

Sensitivity analysis for interest rate risk

At 30 June 2024, if interest rates had been 100 basis points lower/higher with all other variables held constant, the Group's profit before tax would have been approximately \$436,000 (2023: \$357,000) higher/lower, arising mainly as a result of lower/higher interest expense on floating rate loans and borrowings.

(d) **Foreign currency risk**

The Group has transactional currency exposures arising from sales or purchases that are denominated in a currency other than the respective functional currencies of Group's entities, primarily Singapore Dollars ("SGD"). The foreign currency in which these transactions are denominated are mainly United States Dollars ("USD") and Hong Kong Dollars ("HKD"), resulting in the Group's trade and other receivables, trade and other payables, and bullion loans at the balance sheet date to have such currency exposures.

The Group also holds cash and bank balances denominated in foreign currencies for working capital purposes. As at 30 June 2024 and 30 June 2023, such foreign currency balances have been disclosed in Note 17.

Sensitivity analysis for foreign currency risk

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

	Group	
	Profit before tax	
	Increase/ (decrease)	
	2024	2023
	\$'000	\$'000
Against SGD		
USD		
- strengthened 1% (2023: 1%)	34	(81)
- weakened 1% (2023: 1%)	(34)	81
HKD		
- strengthened 1% (2023: 1%)	5	9
- weakened 1% (2023: 1%)	(5)	(9)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

29. Fair values of financial instruments

(a) Fair value hierarchy

The Group categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

Level 1 – Quoted prices (unadjusted) in active market for identical assets or liabilities that the Group can access at the measurement date,

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and

Level 3 – Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

(b) Liabilities measured fair value

The following table shows an analysis of each class of liabilities measured at fair value at the end of the financial year:

	2024			Total \$'000
	Fair value measurements at the end of the reporting period using			
	Quoted prices in active markets for identical instruments (Level 1)	Significant observable inputs other than quoted prices (Level 2)	Significant unobservable inputs (Level 3)	
	\$'000	\$'000	\$'000	
Liabilities measured at fair value				
Financial liabilities:				
Bullion loans	4,045	-	-	4,045
Financial liabilities as at 30 June 2024	4,045	-	-	4,045

	2023			Total \$'000
	Fair value measurements at the end of the reporting period using			
	Quoted prices in active markets for identical instruments (Level 1)	Significant observable inputs other than quoted prices (Level 2)	Significant unobservable inputs (Level 3)	
	\$'000	\$'000	\$'000	
Liabilities measured at fair value				
Financial liabilities:				
Bullion loans	3,728	-	-	3,728
Financial liabilities as at 30 June 2023	3,728	-	-	3,728

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

29. Fair values of financial instruments (cont'd)

(c) ***Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value***

(i) *Cash and bank balances, trade and other receivables, trade and other payables*

The fair values of these financial instruments approximate their carrying amounts at the balance sheet date because of their short-term maturity.

(ii) *Loans and borrowings and lease liabilities*

The carrying amount of the loans and borrowings and lease liabilities is an approximation of fair values as it is a floating rate instrument that is subjected to frequent repricing to market interest rates on or near the date of balance sheet.

(d) ***Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are not a reasonable approximation of fair value***

	Group			
	2024		2023	
	Carrying amount \$'000	Fair value \$'000	Carrying amount \$'000	Fair value \$'000
Financial assets				
Rental deposits (non-current)	1,208	1,081	664	596

30. Capital management

The primary objective of the Group's capital management is to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders and to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The Group sets the amount of capital in proportion to risk. The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

The Group's capital management is dependent on capital requirements of the business or investments. Management would evaluate various options taking into consideration market conditions, nature of investment and the Group's structure. No changes were made in the objectives, policies or processes during the year ended 30 June 2024 and 30 June 2023.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

30. Capital management (cont'd)

The Group monitors its capital using a gearing ratio, which is net debt divided by total equity plus net debt. The Group includes within net debt, loans and borrowings less cash and bank balances to better reflect capital management per industry practice. Total capital relates to the sum of net debt and equity attributable to the owners of the Company.

	Group	
	2024 \$'000	2023 \$'000
Loans and borrowings (Note 18)	43,910	37,601
Bullion loans (Note 19)	4,045	3,728
Lease liabilities (Note 23)	8,579	7,597
Less: Cash and bank balances (Note 17)	(12,709)	(11,008)
Net debt	43,825	37,918
Equity attributable to the owners of the Company	129,802	119,493
Total capital	173,627	157,411
Gearing ratio	25.2%	24.1%

31. Segment information

The Group has organised its businesses into three broad segments based on the Group's current management reporting structure and nature of operations. The Group's business segments are as follows:

(a) **Wholesale and exhibitions**

This relates to the sale of jewellery through the Group's participation in international jewellery exhibitions and trade fairs. It also relates to the sales to wholesale customers.

(b) **Retail**

This relates to the sale of jewellery to customers at retail outlets, promotional events and headquarters.

(c) **Financial services**

This relates to the existing pawn-broking business and the secured lending business. Due to the expansion and growth of the segment, the management now monitors the operating results separately.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items mainly comprise dividends payable, income tax payable and deferred tax.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

31. Segment information (cont'd)

	Wholesale and Exhibitions \$'000	Retail \$'000	Financial Services \$'000	Unallocated \$'000	Elimination \$'000		Total \$'000
2024							
Segment revenue:							
External sales	59,783	83,053	3,920	-	-		146,756
Intersegment sales	-	1,662	930	-	(2,592)		-
Total revenue	59,783	84,715	4,850	-	(2,592)		146,756
Results:							
Segment results	13,706	5,539	2,136	-	-		21,381
Unallocated expenses (net)	-	-	-	(7,593)	-	A	(7,593)
Finance costs	(2)	(302)	(814)	(1,613)	-		(2,731)
Share of profit from associate	-	-	-	549	-		549
Profit/(loss) before tax	13,704	5,237	1,322	(8,657)	-		11,606
Tax expense	-	-	-	(1,287)	-		(1,287)
Profit/(loss) after tax	13,704	5,237	1,322	(9,944)	-		10,319
Segment assets and liabilities:							
Segment assets	73,883	83,528	45,354	9,580	-	B	212,345
Segment liabilities	29,050	26,145	25,889	1,461	-	C	82,545
Other segmental information:							
Depreciation of property, plant and equipment	224	509	57	-	-		790
Capital expenditure	226	671	17	-	-		914
Investment in associate	-	-	-	8,445	-		8,445
Non-current assets	7,433	11,550	600	8,770	-		28,353

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

31. Segment information (cont'd)

	Wholesale and Exhibitions \$'000	Retail \$'000	Financial Services \$'000	Unallocated \$'000	Elimination \$'000		Total \$'000
2023							
Segment revenue:							
External sales	61,040	81,495	3,354	-	-		145,889
Intersegment sales	-	1,006	1,000	-	(2,006)		-
Total revenue	61,040	82,501	4,354	-	(2,006)		145,889
Results:							
Segment results	13,228	4,427	1,679	-	-		19,334
Unallocated expenses (net)	-	-	-	(8,052)	-	A	(8,052)
Finance costs	(2)	(341)	(619)	(1,072)	-		(2,034)
Share of profit from associate	-	-	-	1,579	-		1,579
Profit/(loss) before tax	13,226	4,086	1,060	(7,545)	-		10,827
Tax expense	-	-	-	(1,926)	-		(1,926)
Profit/(loss) after tax	13,226	4,086	1,060	(9,471)	-		8,901
Segment assets and liabilities:							
Segment assets	73,911	75,363	36,025	8,857	-	B	194,156
Segment liabilities	27,344	25,448	20,006	1,865	-	C	74,663
Other segmental information:							
Depreciation of property, plant and equipment	219	609	83	-	-		911
Capital expenditure	466	2,208	48	-	-		2,722
Investment in associate	-	-	-	7,896	-		7,896
Non-current assets	7,113	10,424	606	8,096	-		26,239

Notes

Nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements

- A** Unallocated corporate expenses items amounting to \$7,593,000 (2023: \$8,052,000) mainly relate to headquarter expenses which comprise distribution costs, administrative expenses and other operating expenses.
- B** Unallocated segment assets pertain to unallocated corporate assets items in the Company and deferred tax assets.
- C** The following unallocated liabilities items are added to segment liabilities to arrive at total liabilities as follows:

	Group	
	2024 \$'000	2023 \$'000
Income tax payable	1,461	1,865
	<u>1,461</u>	<u>1,865</u>

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

31. Segment information (cont'd)

Geographical segment

The above primary segment information reflects the management reporting structure and nature of operations wherein the Group's financial services segment are carried out locally in Singapore and wholesale and exhibitions are conducted overseas. The customers of wholesale and exhibition sales are primarily overseas customers, while customers of retail sales and pawnbroking are a mix of local and overseas customers. Accordingly, further segmentation by geographical market is not meaningful.

Non-current assets mainly relate to investment in associate, property, plant and equipment, trademarks and non-current other receivables and are substantially located in Singapore.

Information on major customers

There is no single customer with revenue transactions more than 10% of the Group's total revenue. The revenue is spread over a broad base of customers.

32. Dividends

Group and Company

2024	2023
\$'000	\$'000

Proposed but not recognised as a liability as at 30 June:

Dividends on ordinary shares, subject to shareholders' approval at the AGM:

Proposed final tax-exempt (one-tier) dividend for FY2024: 0.179 cents
(2023: Nil cents) per share

1,000	-
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33. Authorisation of financial statements for issue

The financial statements for the year ended 30 June 2024 were authorised for issue in accordance with a resolution of the Directors on 30 September 2024.

STATISTICS OF SHAREHOLDINGS

As at 20 September 2024

Number of Issued Shares (including Treasury Shares)	:	565,506,000
Number of Issued Shares (excluding Treasury Shares)	:	559,406,000
Number/*Percentage of Treasury Shares	:	6,100,000 / 1.08%
Class of Shares	:	Ordinary
Voting Rights (excluding Treasury Shares)	:	One vote per share

There are no subsidiary holdings.

DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 - 99	0	0.00	0	0.00
100 - 1,000	16	8.60	8,900	0.00
1,001 - 10,000	36	19.35	252,100	0.05
10,001 - 1,000,000	111	59.68	16,219,273	2.90
1,000,001 AND ABOVE	23	12.37	542,925,727	97.05
TOTAL	186	100.00	559,406,000	100.00

SUBSTANTIAL SHAREHOLDERS

(As recorded in the Register of Substantial Shareholders)

Name of shareholders	Direct Interest		Deemed Interest	
	Number of shares	%	Number of shares	%
TEO BOON LENG	171,359,753	30.63	0	0.00
ANG KAH LEONG	157,884,355	28.22	0	0.00
LEE SUI HEE	55,733,478	9.96	0	0.00
SIM CHOON LAM	32,075,784	5.73	0	0.00

STATISTICS OF SHAREHOLDINGS

As at 20 September 2024

TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1	TEO BOON LENG	171,359,753	30.63
2	ANG KAH LEONG	157,884,355	28.22
3	LEE SUI HEE	55,733,478	9.96
4	SIM CHOON LAM	32,075,784	5.73
5	SIM CHOON BENG	23,731,715	4.24
6	CHEW TIAM POH	18,329,565	3.28
7	MAYBANK SECURITIES PTE. LTD.	15,167,300	2.71
8	LEE KWANG HWEE OR YI DAXIANG	10,182,000	1.82
9	RAFFLES NOMINEES (PTE.) LIMITED	9,596,000	1.72
10	CHUA KWEE SIN	8,543,000	1.53
11	MOH TSER LOONG ALVIN	7,421,500	1.33
12	LIU JI	7,000,000	1.25
13	NG PUAY HOON	4,957,774	0.89
14	UOB KAY HIAN PRIVATE LIMITED	3,473,600	0.62
15	ANG HAO YAO (HONG HAOYAO)	2,750,800	0.49
16	ABN AMRO CLEARING BANK N.V.	2,438,900	0.44
17	MOOMOO FINANCIAL SINGAPORE PTE. LTD.	2,339,800	0.42
18	ONG KAH LAM	2,083,400	0.37
19	TAN SIM HUI JULIA (CHEN XINHUI)	1,948,803	0.35
20	KHOO THOMAS CLIVE	1,900,000	0.34
	TOTAL	538,917,527	96.34

Based on information available to the Company as at 20 September 2024, approximately 25.46% of the Company's issued ordinary shares excluding treasury shares were held by the Public. Accordingly, the Company has complied with Rule 723 of the SGX-ST Listing Manual Section B : Rules of Catalist.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of **TAKA JEWELLERY HOLDINGS LIMITED** (“the **Company**”) will be held at 3, Kaki Bukit Place, Eunos Techpark, Singapore 416181 on Tuesday, 22 October 2024 at 10.00 a.m. for the following purposes:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors’ Statement and the Audited Financial Statements of the Company for the financial year ended 30 June 2024 together with the Independent Auditor’s Report thereon. **(Resolution 1)**
2. To declare a one-tier tax exempt final dividend of 0.179 Singapore cents per ordinary share for the financial year ended 30 June 2024. (FY2023: Nil). **(Resolution 2)**
3. To re-elect Mr Teo Boon Leng as Director of the Company retiring pursuant to Article 114 of the Constitution of the Company.
(See Explanatory Note (i)) **(Resolution 3)**
4. To re-elect Mr Ang Kah Leong as Director of the Company retiring pursuant to Article 114 of the Constitution of the Company.
(See Explanatory Note (ii)) **(Resolution 4)**
5. To approve the payment of Directors’ Fees of S\$180,000 for the financial year ending 30 June 2025 payable quarterly in arrears. (FY2024: S\$191,000) **(Resolution 5)**
6. To re-appoint Ernst & Young LLP as Independent Auditor of the Company and to authorise the Directors of the Company to fix their remuneration. **(Resolution 6)**
7. To transact any other ordinary business which may properly be transacted at an Annual General Meeting.

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions as Ordinary Resolutions, with or without any modification:

8. **Authority to allot and issue shares**

That pursuant to Section 161 of the Companies Act 1967, Singapore and Rule 806 of Section B of the Singapore Exchange Securities Trading Limited Listing Manual: Rules of Catalist (the “**Catalist Rules**”), the Directors of the Company be authorised and empowered to:

- (a) (i) issue shares in the Company (“**Shares**”) whether by way of rights, bonus or otherwise; and/or
- (ii) make or grant offers, agreements or options (collectively, “**Instruments**”) that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into Shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors of the Company may in their absolute discretion deem fit; and
- (b) (notwithstanding that the authority conferred by this Resolution may have ceased to be in force) issue Shares in pursuance of any Instruments made or granted by the Directors of the Company while this Resolution was in force,

NOTICE OF ANNUAL GENERAL MEETING

provided that:

- (1) the aggregate number of Shares (including Shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) to be issued pursuant to this Resolution shall not exceed one hundred per centum (100%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares to be issued other than on a pro rata basis to shareholders of the Company shall not exceed fifty per centum (50%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);
 - (2) (subject to such calculation as may be prescribed by the Singapore Exchange Securities Trading Limited) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (1) above, the total number of issued Shares (excluding treasury shares and subsidiary holdings) shall be based on the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time of the passing of this Resolution, after adjusting for:
 - (a) new Shares arising from the conversion or exercise of any convertible securities;
 - (b) new shares arising from the exercising of share options or vesting of share awards, provided the share options or share awards were granted in compliance with Part VIII of Chapter 8 of the Catalist Rules; and
 - (c) any subsequent bonus issue, consolidation or subdivision of Shares,any adjustments made in accordance with sub-paragraphs (2)(a) or (2)(b) are only to be made in respect of new shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of the passing of the Resolution approving the mandate.
 - (3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by the Singapore Exchange Securities Trading Limited) and the Constitution of the Company; and
 - (4) unless revoked or varied by the Company in a general meeting, such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier.
- (See Explanatory Note (iii)) **(Resolution 7)**

9. Proposed Renewal of Share BuyBack Mandate

That for the purposes of Sections 76C and 76E of the Companies Act 1967, Singapore, the Directors of the Company be and are hereby authorised to make purchases or otherwise acquire issued Shares in the capital of the Company from time to time (whether by way of market purchases or off-market purchases on an equal access scheme) of up to ten per centum (10%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as ascertained as at the date of Annual General Meeting of the Company) at the price of up to but not exceeding the Maximum Purchase Price as defined in Section 2.3.4 of the Company's letter to shareholders in relation to the proposed renewal of the share buyback mandate dated 7 October 2024 (the "**Letter**"), in accordance with the Terms of the Share Buyback Mandate set out in the Letter. This mandate shall, unless revoked or varied by the Company in general meeting, continue in force until the conclusion of the next Annual General Meeting of the Company, the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier.

(See Explanatory Note (iv))

(Resolution 8)

By Order of the Board

Wong Yoen Har
Company Secretary

Singapore, 7 October 2024

NOTICE OF ANNUAL GENERAL MEETING

Explanatory Notes:

- (i) The Ordinary Resolution 3 is to re-elect Mr. Teo Boon Leng who is retiring pursuant to Article 114 of the Constitution of the Company. Mr. Teo Boon Leng will, upon re-election as Director of the Company, remain as Executive Director and Managing Director of the Company. Detailed information on Mr. Teo can be found in this Annual Report 2024.
- (ii) The Ordinary Resolution 4 is to re-elect Mr. Ang Kah Leong who is retiring pursuant to Article 114 of the Constitution of the Company. Mr. Ang Kah Leong will, upon re-election as Director of the Company, remain as Executive Director of the Company. Detailed information on Mr. Ang can be found in this Annual Report 2024.
- (iii) The Ordinary Resolution 7, if passed, will empower the Directors of the Company, effective until the conclusion of the next Annual General Meeting of the Company, or the date by which the next Annual General Meeting of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue Shares, make or grant Instruments convertible into Shares and to issue Shares pursuant to such Instruments, up to a number not exceeding, in total, 100% of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company, of which up to 50% may be issued other than on a pro-rata basis to shareholders.

For determining the aggregate number of shares that may be issued, the total number of issued Shares (excluding treasury shares and subsidiary holdings) will be calculated based on the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time this Ordinary Resolution is passed after adjusting for new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time when this Ordinary Resolution is passed and any subsequent bonus issue, consolidation or subdivision of Shares.

- (iv) The Ordinary Resolution 8, if passed, will empower the Directors of the Company effective until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier, to repurchase ordinary Shares of the Company by way of market purchases or off-market purchases of up to ten per centum (10%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the Maximum Price as defined in Section 2.3.4 of the Letter. The rationale for, the authority and limitation on, the sources of funds to be used for the purchase or acquisition including the amount of financing and the financial effects of the purchase or acquisition of ordinary Shares by the Company pursuant to the Share Buyback Mandate on the audited consolidated financial statements of the Group for the financial period ended 30 June 2024 are set out in greater detail in Section 2.8 of the Letter.

IMPORTANT

Notes:

1. Members of the Company are invited to **attend physically** at the Annual General Meeting (the “**Meeting**”). **There will be no option for members to participate virtually.**
2. The Annual Report 2024, Notice of Annual General Meeting and Proxy Form will be made available to members by electronic means via publication on the Company’s corporate website at the URL <http://www.takajewelleryholdings.com/> and are also made available on the SGX website at the URL <https://www.sgx.com/securities/company-announcements>.
3. Printed copies of the Notice of Annual General Meeting and Proxy Form will be sent to members via post. Printed copies of the Annual Report 2024 will not be sent to members unless requested for by a member submitting a request by email to taka_agm2024@takajewellery.com.sg by **15 October 2024**.

The following information must be provided:-

- (i) the member’s full name;
- (ii) the member’s address; and
- (iii) the manner in which the shares are held.

A printed copy of the Annual Report 2024 will then be sent to the address specified by the member.

Submission of Instrument Appointing a Proxy (“Proxy Form”) to Vote:

1. A member who is not a Relevant Intermediary, is entitled to appoint one or two proxies to attend and vote at the Meeting.
2. A member who is a Relevant Intermediary, is entitled to appoint more than two proxies to attend and vote at the Meeting, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by such member.

“Relevant intermediary” has the meaning ascribed to it in Section 181 of the Companies Act 1967.”

NOTICE OF ANNUAL GENERAL MEETING

3. For Supplementary Retirement Scheme (“SRS”) investors who hold their Shares through relevant intermediaries as defined in Section 181 of the Companies Act (including holders under depository agents) and who wish to exercise their votes should approach their respective relevant intermediaries (including their respective SRS Operators or depository agents) to submit their voting instructions in the Proxy Forms **at least seven (7) working days before the Meeting, by 10.00 a.m. on 10 October 2024.**
4. A proxy need not be a member of the Company.
5. The instrument appointing a proxy or proxies must be submitted to the Company in the following manner:
 - (a) if submitted by post, be lodged with the Company’s registered office at 3, Kaki Bukit Place, Eunos Techpark, Singapore 416181; or
 - (b) if submitted electronically, be submitted as a clearly readable image via email to taka_agm2024@takajewellery.com.sg.in either case, **at least 48 hours before the time for holding the Meeting, by 10.00 a.m. on 20 October 2024.**

A member who wishes to submit a Proxy Form must first download, complete and sign the Proxy Form, before submitting it by post to the address provided above, or by scanning and sending it by email to the email address provided above.
6. A depositor shall not be regarded as a member of the Company entitled to attend and vote at the AGM unless his/her name appears on the Depository Register not less than seventy-two (72) hours before the time of the Meeting.
7. The instrument appointing a proxy or proxies must be under the hand of the appointor or his/her attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of an officer or attorney duly authorised. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument.
8. The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies.

Submission of Questions in Advance:

- (1) Shareholders may also submit questions related to resolutions to be tabled at the Meeting in the following manner:
 - (a) if submitted by post, to the Company’s registered office at 3, Kaki Bukit Place, Eunos Techpark, Singapore 416181; or
 - (b) if submitted electronically, be submitted via email to taka_agm2024@takajewellery.com.sg.All questions for the Meeting must be submitted by **10.00 a.m. on 15 October 2024.**
- (2) A member who wishes to submit the questions in hard copy by mail is required to indicate the full name (for individuals)/ company name (for corporates), NRIC/Passport No./Company Registration No., email address, contact number, shareholding type and number of shares held together with their submission, before submitting it by post to the address provided.
- (3) The Board of Directors of the Company will endeavour to address all substantial and relevant questions received from Shareholders prior to the Meeting by publishing the responses to those questions on SGXNET at URL <https://www.sgx.com/securities/company-announcements> and the Company’s website at URL <http://www.takajewelleryholdings.com/> at least forty-eight (48) hours prior to the closing date and time for the lodgement of the proxy forms on 18 October 2024. Where substantial relevant questions submitted by Shareholders are unable to be addressed prior to the Meeting, the Company will address them during the Meeting.

The Company shall only address relevant and substantial questions (as may be determined by the Company in its sole discretion) received. The Company will publish the minutes of the Meeting on SGXNet and the Company’s website within one month from the date of the Meeting.

NOTICE OF ANNUAL GENERAL MEETING

Personal data privacy:

By submitting a proxy form appointing a proxy or proxies to attend, speak and vote at the Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of the appointment of a proxy or proxies for the Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Meeting (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

Photographic, sound and/or video recordings of the Meeting may be made by the Company for record keeping and to ensure the accuracy of the minutes prepared of the Meeting. Accordingly, the personal data of a member of the Company (such as his name, his presence at the Meeting and any questions he may raise or motions he propose/second) may be recorded by the Company for such purpose.

TAKA JEWELLERY HOLDINGS LIMITED

Company Registration No. 201526542C
(Incorporated in the Republic of Singapore)

IMPORTANT:

1. The Annual Report and Notice of AGM dated 7 October 2024 may be accessed at URL <http://www.takajewelleryholdings.com/> and on the SGX website at URL <https://www.sgx.com/securities/company-announcements>.
2. Supplementary Retirement Scheme ("SRS") investors who wish to appoint the Chairman of the Meeting as proxy should approach their respective SRS Operators to submit their votes by **10.00 a.m. on 10 October 2024**. By submitting this proxy form, the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 7 October 2024.
3. The Chairman and proxy need not be a member of the Company.
4. By submitting this proxy form, the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 7 October 2024.
5. Please read the notes overleaf which contain instructions on, inter alia, the appointment of the Chairman of the Meeting as a member's proxy and proxy to attend, speak and vote on his/her/its behalf at the Meeting.

PROXY FORM

(Please see notes overleaf before completing this Form)

I/We, _____ (full name in capital letters)

NRIC No./Passport No./Company Registration No. _____

of _____ (full address)

being a member/members of **TAKA JEWELLERY HOLDINGS LIMITED** (the "**Company**"), hereby appoint:

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

and/or (delete as appropriate)

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing the person, or either or both of the persons, referred to above, the Chairman of the Meeting as my/our proxy/proxies to vote for me/us on my/our behalf at the Annual General Meeting (the "**Meeting**") of the Company to be held on Tuesday, 22 October 2024 at 10.00 a.m. at 3, Kaki Bukit Place, Eunos Techpark, Singapore 416181 and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the Resolutions proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at his/her/their discretion, as he/she/they will on any other matter arising at the Meeting and at any adjournment thereof.

No.	Resolutions relating to:	For	Against	Abstain
ORDINARY BUSINESS				
1	Adoption of the Directors' Statement and Audited Financial Statements of the Company for the financial year ended 30 June 2024 together with the Independent Auditor's Report			
2	Payment of one-tier tax exempt final dividend of 0.179 Singapore cents per ordinary share for the financial year ended 30 June 2024			
3	Re-election of Mr. Teo Boon Leng as Director of the Company pursuant to Article 114 of the Company's Constitution			
4	Re-election of Mr. Ang Kah Leong as Director of the Company pursuant to Article 114 of the Company's Constitution			
5	Approval of Directors' Fees amounting to S\$180,000 for the financial year ending 30 June 2025 payable quarterly in arrears			
6	To re-appoint Ernst & Young LLP as Independent Auditor of the Company and to authorise the Directors to fix their remuneration			
SPECIAL BUSINESS				
7	Authority to allot and issue shares			
8	Proposed Renewal of Share Buy-Back Mandate			

* Voting will be conducted by poll. If you wish your proxy/proxies to vote all your shares "For" or "Against" the relevant resolution, please indicate with a "v" in the "For" or "Against" box provided in respect of that resolution. Alternatively, please insert the relevant number of shares "For" or "Against" in the "For" or "Against" box provided in respect of that resolution. If you wish your proxy/proxies to abstain from voting on a resolution, please indicate with a "v" in the "Abstain" box provided in respect of that resolution. Alternatively, please insert the relevant number of shares in the "Abstain" box provided in respect of that resolution.

Dated this _____ day of _____ 2024

Total number of shares in:	No. of shares
(a) CDP Register	
(b) Register of Members	

Signature of Shareholder(s)
or, Common Seal of Corporate Shareholder

IMPORTANT: PLEASE READ NOTES OVERLEAF



Notes:

1. Please insert the total number of shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001 of Singapore), you should insert that number of shares. If you have shares registered in your name in the Register of Members, you should insert that number of shares. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number of shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument ("**Proxy Form**") appointing the Chairman of the Meeting as proxy shall be deemed to relate to all the shares held by you.
2. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his/her attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of an officer or attorney duly authorised.
3. A member who is a relevant intermediary entitled to attend the meeting and vote is entitled to appoint more than two proxies to attend and vote instead of the member, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by such member. Where such member appoints more than two proxies, the appointments shall be invalid unless the member specifies the number of Shares in relation to which each proxy has been appointed.
4. A proxy need not be a member of the Company.
5. Investors who hold their Shares through relevant intermediaries as defined in Section 181 of the Companies Act 1967 (including SRS investors) and who wish to exercise their votes by appointing a proxy or proxies should approach their respective relevant intermediaries to submit their voting instructions **by 10.00 a.m. on 10 October 2024** in order to allow sufficient time for their respective relevant intermediaries to in turn submit a proxy form to appoint a proxy or proxies to vote on their behalf **by 10.00 a.m. on 20 October 2024**.
6. Completion and return of this instrument appointing a proxy or proxies shall not preclude a member from attending and voting at the Meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy to the Meeting.
7. A member who wishes to submit a Proxy Form must first complete and sign the Proxy Form, before submitting it by post to the Company's Registered Office at 3, Kaki Bukit Place, Eunos Techpark, Singapore 416181 or by scanning and sending it by email to taka_agm2024@takajewellery.com.sg, in either case, **by 10.00 a.m. on 20 October 2024 (being at least forty-eight (48) hours before the time appointed for holding the Meeting)**.

Members are strongly encouraged to submit completed proxy forms electronically via email.

PERSONAL DATA PRIVACY:

By submitting a proxy form appointing a proxy or proxies, the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 7 October 2024.

GENERAL:

The Company shall be entitled to reject the proxy form appointing a proxy or proxies if it is incomplete, improperly completed or illegible, or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the proxy form appointing a proxy or proxies. In addition, in the case of Shares entered in the Depository Register, the Company may reject any proxy form appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.

TAKA[®]
JEWELLERY

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